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South Dakota

Public Utilities Commission

Annual Reports

FY80 — FY82

Commissioners
Charlotte Fischer
Kenneth Stofferahn
Jeff Solem

Public Utilities Commission
State of South Dakota
Pierre
57501

Administration (605) 773 3201
Transportation (605) 773 3631

In reply please refer to
Patricia de Hueck
Executive Secretary

The Honorable William J. Janklow
Governor
State of South Dakota
Pierre, SD 57501

and

Members of the Legislature
State of South Dakota
Pierre, SD 57501

Dear Governor Janklow and Members of the Legislature:

In compliance with the requirements of SDCL §49-1-13, the Public Utilities Commission hereby submits its FY80-82 Annual Report. This report consists of the various activities, functions and accomplishments of the South Dakota Public Utilities Commission during the period of July 1, 1979 through June 30, 1982.

Sincerely,

Charlotte Fischer
Chairman

CF:A362B02

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FORWARD

The activities and accomplishments of the South Dakota Public Utilities Commission from July 1, 1979 through June 30, 1982 are presented in this annual report. Information with respect to matters of Commission jurisdiction are also contained in this report.

The South Dakota Public Utilities Commission is an independent quasi-judicial regulatory body whose jurisdiction, powers and duties are delegated to it by the South Dakota legislature. The Commission has been charged with the responsibility to regulate investor-owned electric, gas and telephone utilities, motor carriers doing business within the state of South Dakota and licensing of grain elevators, warehouses and general storage facilities.

The three elected public utility commissioners--a chairman and two associates--administer and supervise all functions of the South Dakota Public Utilities Commission. The Commission's jurisdiction of rates requires the enactment of rates that are just and reasonable and the providing of safe and adequate utility service to consumers served by regulated utilities in the State of South Dakota.

Norma Klinkel

Assumed Commissionership January, 1975, term expired January 1, 1981, Democrat, born April 18, 1921. Received B.S. Degree in Business Administration, economics major, University of South Dakota/Vermillion, past experience includes project director Inter-Lakes Community Action, South Dakota Planning District I (1969-1974). Elected to represent District 2, the Northeast quarter of the state from the Missouri River to the Minnesota border, address is Brookings, South Dakota. Served as Chairwoman of the Commission.

Charlotte Fischer

Assumed Commissionership January, 1976, term expires January 3, 1983, Republican, born November 20, 1948. Received B.S. degree in political science from the University of South Dakota/Vermillion, additional graduate work toward M.A. degree, past experience includes serving as Congressional aide to U. S. Senator James Abdnor while in the House of Representatives (1973-76). Elected to serve District 3, the area west of the Missouri River, address is Wall, South Dakota. Currently serves as Chairwoman of the Commission.

Kenneth Stofferahn

Assumed Commissionership January 1979, current term ends January 3, 1985, Democrat, born April 3, 1934. Received B.S. degree in Agriculture from South Dakota State University, past experience includes farming, West Central Board of Education (President) (1974, 1976-78), and South Dakota House of Represetatives (1974-1976). Elected to serve District I, the southeast quarter of the state from the Missouri River to the Minnesota-Iowa border, address is Pierre, South Dakota.

Jeff Solem

Assumed Commissionership January 2, 1981, term ends January 2, 1987, Republican, born August 4, 1921. Received B.A. degree from George Washington University, past experience includes radio broadcaster and mayor of the City of Aberdeen (1972-80). Elected to serve District II, the northeast quarter of the state from the Missouri River to the Minnesota border, address is Aberdeen, South Dakota.

The South Dakota Public Utilities Commission History

In 1885, the Territorial legislature established the Board of Railroad Commissioners for regulation of service and facilities of rail carriers. Upon admission of South Dakota into the Union, the first State legislature, in 1889, amended the territorial statute to increase the duties and powers of the Board. The Board consisted of three members appointed by the Governor to serve for two year terms.

In 1897, the State Legislature enacted legislation to make the Commission an elective body serving a six year term of office with staggered terms allowing a new commissioner to be elected every two years. The legislation expanded the duties of the Commission to include the establishment or promulgation of railroad rates. Rates and service of telephone and telegraph companies were placed under Commission jurisdiction in 1909 with the establishment of the then existing Telephone Commission.

The Commission has had jurisdiction over the regulation of grain warehouses since 1890, additionally in 1925 this jurisdiction was expanded to include regulation of public warehouses. Under Chapter 124 of the State Statutes of 1923, the Commission received limited powers and duties over the supervision and control of motor carriers. The 1925 State Legislature enacted Chapter 224 which provides a comprehensive Motor Carrier Act.

The Board of Railroad Commissioners assumed the new title of Public Utilities Commission in 1939 which more accurately described the scope of duties assigned to this agency.

Regulation of electric and gas utilities was granted the Public Utilities Commission in 1975. The Rural Electric Associations were granted exemption in 1976 and the Rural Telephone Associations in 1979.

Regulation of railroads with the exception of authority to provide car service tariff and rates was transferred to the Department of Transportation Railroad Division in 1979. The 1979 State Legislature authorized the Public Utilities Commission authority to grant permits for energy conversion or transmission facilities; with a trans-state facility requiring additional reviewing approval by an Act of the South Dakota Legislature.

Motor Carrier regulation chapter was repealed effective July 1, 1981. The legislature authorized the Commission to issue a permit to all applicants, unless it finds on the basis of evidence it would be inconsistent with the public convenience and necessity. Additionally, the legislature removed the authority of the Commission to fix rates for motor carriers of passengers, taxicabs and motor buses.

ADMINISTRATIVE DIVISION

The Administrative Division is charged with the general responsibility over the technical and administrative operations of the Commission. The Executive Secretary coordinates the activities of the division, is responsible for the implementation of Commission policies, arranges hearings and conferences, and makes recommendations for the development and articulation of policy questions.

At the direction of the Executive Secretary, Commission staff prepares legislative proposals and actions recommended by the Commission. During the period of 1979 to 1982, the State Legislature has enacted the following changes in Title 49 of the South Dakota Codified Laws.

Statutory Changes

Effective July 1, 1979

--Established the qualifications for appointment and duties of the Executive Secretary of the Commission.

--Deleted the use of persons and property in defining common carrier and contract for carriage authority.

--Removed the phraseology of shipment or carriage from the definition of a common carrier and substituted in lieu thereof the transmission of messages by telephone and telegraph.

--Added the trans-state transmission facility requirement to Chapter 49-41B, Energy Conversion and Transmission facilities. Required trans-state transmission facilities to obtain a permit from the Commission and also receive legislative approval. Established criteria for trans-state transmission permit, acquisition fee in land continguous to right-of-way, eminent domain criteria, divesture of agricultural land, and foreclosure on nonvested agricultural land.

--Added to the Commission's jurisdiction pipelines with respect to transmission of coal, gas, liquid hydrocarbons, or liquid hydrocarbon products.

Effective July 1, 1980

--Removed the authority of the Public Utilities Commission to intervene in proceedings before the interstate commerce commission relative to consolidation, abandonment and merger of railroads. PUC authority limited to providing car service tariffs and rate regulation of intrastate railroads.

--Municipal Telephone companies may elect to be regulated by the Public Utilities Commission.

--Changed the charge of failure to deliver grain from larceny to theft.

Effective July 1, 1981

--Repealed motor carrier regulation chapter. Authorized the Commission to issue a permit to all applicants unless it finds on the basis of evidence presented by persons objecting to the permit it would be inconsistent with public convenience and necessity. Diversion of revenue from existing carrier shall not be the sole reason for denial. Authorization to operate shall be in effect until they voluntarily terminate or Commission revokes.

--Repealed the authority of the PUC to fix rates for motor carriers of passengers, taxi cabs and motor buses.

--Repealed the annual renewal permit requirement, the requirement for opportunity for hearing in the instances of carriers desiring the same routes, and the requirement of submission of quarterly reports by motor carriers.

--Changed the time period of consideration of telephone rate change requests by the Commission from twelve months to six months.

--Established the residential conservation program.

--Repealed Chapter 49 - Section 4 - Carrier of Persons, Section 5 - Carrier of Property, Section 15 - Marine Carriers, Section 16 - Railroad Corporations and Section 28 - Express Companies.

--Changed terminology in the fuel adjustment clause statute from a permissive to a mandatory requirement.

The Administrative Division is charged with the responsibility of compiling and administering the budgetary and accounting duties to aid the Commission in the compliance of its regulatory duties. The following chart represents the collection of general fund revenue receipted by the issuance of licenses and permits in the Transportation Division. The revenue increased continually from the period FY80-FY82 representing a 14% increase from FY80-FY81 and an 18% increase from FY81-FY82 without the consideration of loss of revenue from renewal fees due to statutory changes. Revenue collected from these sources is remitted to the State General Fund.

Statement of General Fund Revenue

	FY80	FY81	FY82
ICC or XICC Registration	32,425.00	46,000.00	48,000.00
MC-A Permits	200.00	200.00	800.00
MC-B Permits	3,000.00	2,250.00	10,800.00
MC-C Permits	950.00	650.00	1,300.00
Permit Transfers	2,175.00	2,225.00	5,275.00
Renewals of Permits	29,625.00	29,300.00	-
Penalty for Late Payment	925.00	800.00	-
Grain Warehouse Licenses	1,490.00	1,522.50	1,060.00
Grain Storage Certificates	1,197.50	1,222.50	750.00
General Warehouse Storage Certificates	245.00	235.00	170.00
Grain Buyers License	5,130.00	5,535.00	4,255.00
Identification Stamps	373,436.00	425,412.00	537,444.00
Cab Cards	940.20	630.60	748.20
Refunds	254.60	880.71	102.40
Reimbursements	65.00	-	-
Grain Terminal Weightmaster		5.00	
TOTALS	452,058.30	516,868.31	610,704.60

Statutory authority allows for the collection of a mill levy tax of .001 to defray the expenses associated with the regulatory duties of the Commission. The mill levy is assessed on investor-owned utilities' gross revenues and earmarked for use in the Fixed Utilities Division. The revenues have increased 13% from FY80-FY81 and 8% from FY81-FY82.

Special Hearing Fund Revenues

	FY80	FY81	FY82
Armour Independent Telephone	127.30	140.60	153.50
Bison State Telephone Company	1,436.92	2,216.73	2,449.79
Black Hills Power & Light Company	28,193.02	33,162.08	37,745.76
Continental Telephone of Nebraska	.95	1.69	1.83
Continental Telephone of Minnesota	16.33	25.95	30.55
Farmers Mutual Telephone	8.04	6.33	6.40
Great Plains Telephone	62.19	68.75	69.15
Hanson County Telephone	100.06	108.53	121.87
Hills Telephone	.38	.33	.32
Iowa Public Service	5,235.60	6,536.97	6,476.00
Jefferson Telephone	78.65	82.68	89.80
Kadoka Telephone	127.70	150.74	163.17
Kennebec Telephone	112.23	93.11	63.95
Minnegasco	17,835.08	21,566.89	24,047.00
Montana Dakota Utilities	18,885.10	23,711.56	23,513.86
Northern States Power Company	23,574.21	25,438.40	27,784.07
Northwestern Bell Telephone	71,503.16	77,674.48	84,838.14
Northwestern Public Service Company	46,476.37	52,682.93	58,448.80
Ottertail Power Company	6,150.34	7,512.82	6,273.99
Peoples Telegraph & Telephone	1,433.08	563.17	1,396.77
Sioux Valley Telephone	990.73	1,119.44	743.72
Stockholm-Strandburg Telephone	20.58	43.47	44.30
Three River Telco	3.36	3.64	4.21
Tri-County Telephone	100.40	107.47	107.15
Union Telephone	170.20	199.51	198.67
Valley Telephone	42.50	42.32	31.75
Vivian Telephone	23.26	20.46	20.39
Western Telephone	178.60	196.91	206.48
Switcher Stations	10.75		
TOTALS	222,897.45	253,477.96	275,031.39

The Commission may require a utility that submits a rate request with a revenue requirement in excess of $500,000 to deposit a filing fee of up to $50,000 to aid in defraying the costs of the Commission's investigation and hearing. Additionally, a formula is applied to utilities seeking permits for construction of a transmission facility or pipeline for defrayment of costs associated with the investigation and hearing. Revenue collected for FY80, FY81 and FY82 for Non-Appropriated filing fees are $171,325.00, $698,727.50 and $647,508.63 respectively.

The budget process is a carefully considered plan of agency expenditures, goals, and programs for the upcoming fiscal year. The Public Utilities Commission budget has totally increased approximately 23-24% each year during this period. Although little change is accounted for in the Administrative and Transportation Division, the Fixed Utilities Division budget has decreased from FY80 amount of $573,628 to the FY82 amount of $447,416. The inclusion of the PURPA program increased the expenditure authority of the Commission during FY80, FY81 and FY82.

Agency expenditures increased 1% in FY81 and 74% in FY82. The FY82 increase was attributed to an increase of almost 200% in the non-appropriated filing fee budget.

General Fund reversions were $35,481 in FY80, $9,043 in FY81 and $39,971 in FY82. The statements of the Budget, Expenditures, Encumbrances and Reversions for fiscal years 1980, 1981 and 1982 are included at the end of this section.

Program Budget
Budget, Expenditures, Encumbrances, and Reversions
for the Year ending June 30, 1980

		Expenditures by Funds					
Program	Budgeted	General	Federal	Dedicated	Total Expenditures	Encumbrances and Carryovers	Reversions
01 - Administration							
Personal Services	$142,283.01	$138,132.57			$138,132.57		
Operating Expenses	17,918.00	15,836.42			15,836.42		
Total Program	$160,201.01	$153,968.99			$153,968.99		$6,232.02
02 - Transportation							
Personal Services	$167,219.89	$157,153.05			$157,153.05		
Operating Expenses	67,832.66	48,103.47			48,103.47	$ 546.67	
Total Program	235,052.55	$205,256.52			$205,256.52	$ 546.67	$29,249.36
03 - Fixed Utilities							
Personal Services	$263,668.10	$139,290.15	$ 4,720.52	$79,177.83	$233,188.50		
Operating Expenses	309,960.00	3,120.46	18,665.10	98,694.05	120,479.61	$149,698.46	
Total Program	$573,628.10	$142,410.61	$23,385.62	$177,871.88	$343,668.11	$149,698.46	$80,261.53
04 - Non-Appropriated Filing Fees							
Operating Expenses	$377,520.94			$(291,886.96)			
Total Program	$377,520.94			$291,886.96		$85,633.98	
TOTAL ALL PROGRAMS	$1,346,402.60	$501,636.12	$23,385.62	$469,758.84	$994,780.58	$150,245.13	$201,376.89

Program Budget
Budget, Expenditures, Encumbrances, and Reversions for the Year ending June 30, 1981

		Expenditures by Funds					
	Budgeted	General	Federal	Dedicated	Total Expenditures	Encumbrances and Carryovers	Reversions
Program							
01 - Administration							
Personal Services	$144,253.61	$143,601.85			$143,601.85		
Operating Expenses	18,537.00	18,898.25			18,898.25		
Total Program	$162,790.61	$162,500.10			$162,500.00		$ 290.51
02 - Transportation							
Personal Services	$174,171.29	$169,074.39			$169,074.39		
Operating Expenses	54,747.00	51,039.88			51,039.88	$51.18	
Total Program	$228,918.29	$220,114.27			$220,114.27	$51.18	$8,752.84
03 - Fixed Utilities							
Personal Services	$225,421.01	$46,610.99		$116,329.79	$162,940.78		
Operating Expenses	135,845.00	4,775.73		72,274.28	79,050.01	43,000.00	
Total Program	$361,266.01	$51,386.72		$190,604.07	$241,990.79	$43,000.00	$76,275.22
04 ~~- Non-Appr~~opriated Filing Fees							
Operating Expenses	$660,649.53			$326,878.72	$326,878.72		
Total Program	$660,649.53			$326,878.72	$326,878.72		$333,770.81
05 - PURPA							
Personal Services	$48,537.93		$34,424.82		$34,424.82		
Operating Expenses	196,848.00		$26,702.40		26,702.40	$178,000.00	
Total Program	$245,385.93		$61,127.22		$61,127.22	$178,000.00	$6,258.71
TOTAL ALL PROGRAMS	$165,901.37	$434,001.09	$61,127.22	$517,482.79	$1,012,611.10	$221,051.18	$425,348.09

Program Budget
Budget, Expenditures, Encumbrances, and Reversions
for the Year ending June 30, 1982

Program	Budget at Beginning of Period	Adjustments	Budget at End of Period	Expenditures by Fund			Total Expenditures	Encumbrances and Carry-overs	Reversions
				General	Federal	Dedicated			
01 - Administration									
Personal Services	$170,138.00	$ 5,868.00	$176,006.00	$172,719.98			$172,719.98		$ 3,286.02
Operating Expenses	20,094.00		20,094.00	20,094.00			20,094.00		
Total Program	$190,232.00	$5,868.00	$196,100.00	$192,813.98			$192,813.98		$ 3,286.02
02 - Transportation									
Personal Services	$175,175.00	$(7,700.00)	$167,475.00	$134,004.21			$134,004.21		$ 33,470.79
Operating Expenses	56,680.00	8,000.00	64,680.00	56,182.18			56,182.18	$5,283.90	3,213.92
Total Program	$231,855.00	$ 300.00	$232,155.00	$190,186.39			$190,186.39	$ 5,283.90	$ 36,684.71
03 - Fixed Utilities									
Personal Services	$336,750.00	$(39,535.00)	$297,215.00			$199,504.38	$199,504.38		$97,710.62
Operating Expenses	110,186.00	40,000.00	150,186.00			123,263.11	123,263.11		26,922.89
Total Program	$446,936.00	$ 465.00	$447,401.00			$322,767.49	$322,767.49		$124,633.51
04 - Non-Appropriated Filing Fees									
Operating Expenses	$1,057,889.43		$1,057,889.43			$953,578.49	$953,578.49		$104,310.94
Total Program	$1,057,889.43		$1,057,889.43			$953,578.49	$953,578.49		$104,310.94
05 - PURPA									
Personal Services	$11,045.00	$31,415.44	$42,460.44		$25,756.02		$25,756.02	$.	$ 16,704.42
Operating Expenses		102,034.56	102,034.56		76,694.73		76,694.73	$ 25,339.83	$ 16,704.42
Total Program	$11,045.00	$133,450.00	$144,495.00	$	$102,450.75		$102,450.75	$25,339.83	$ 16,704.42
TOTAL ALL PROGRAMS	$1,937,957.43	$140,083.00	$2,078,040.43	$383,000.37	$102,450.75	$1,276,345.98	$1,761,797.10	$30,623.73	$285,619.60

The administrative division is responsible for insuring proper reporting and recording of Commission action and providing guidance and direction to the Fixed Utilities and Transportation Divisions in the execution of their duties. The following reports of each of these divisions outline the activities of the Commission.

TRANSPORTATION DIVISION

The Transportation Division is responsible for the investigation and initiation of proposals that will result in the Commission regulating the transporation industry to provide safe and adequate service, and just, reasonable and nondiscriminatory rates to consumers. Further, to coordinate and process applications, tariffs, time-tables, insurance and service requirements for intrastate carriers and interstate carriers operating within the boundaries of the state of South Dakota. Additionally, the Division issues licenses and permits to all grain elevators and storage warehouses.

In 1981, the South Dakota State Legislature repealed the motor carrier regulation chapter. It further authorized the Commission to issue motor carrier permits to all applicants unless it finds on the basis of evidence presented by persons objecting to the permit that it would be inconsistent with public convenience and necessity. The authorization to operate, shall be in effect until the applicant voluntarily terminates or the Commission revokes the permit for cause.

The Public Utilities Commission was limited to the authority to provide railroad car service tariffs and the rate regulation of intrastate railroads by the 1980 South Dakota Legislature. The authority to intervene on behalf of the State of South Dakota in consolidation, abandonment and merger of railroad proceedings was transferred to the State Rail Authority, Division of Railroads, Department of Transportation.

Motor Carriers Section

There are two types of motor carriers: Common Carriers and Contract Carriers.

Common carriers are vehicles deemed necessary to serve the public convenience and consequently are available for public hire. Intrastate permits are granted to these types of carriers. The two classes are:

Class A - Commercial entities that operate over regular routes (e.g. Commercial bus lines)

Class B - Commercial vehicles which operate over irregular routes on a call and demand basis (e.g. independent truckers, delivery service, cattle and grain haulers).

These classes are limited to a certain area of service within which their commerce must originate and end.

Contract carriers are required to obtain a Class C Permit which allows them to haul strictly on a contract basis. They must have one contract per permit, but not more than three permits.

Interstate carriers are required to register with the Commission and are subject to regulation by the Interstate Commerce Commission. The types of interstate authority available are:

Class X -	Interstate carriers exempt from Interstate Commerce Commission regulation--they haul strictly unmanufactured agricultural products.
Class I -	Out-of-state or in-state carriers that cross state lines. They haul manufactured goods and products.
Class XI -	Out-of-state or in-state carriers that cross state lines that haul both manufactured and unmanufactured goods and products.

Interstate carriers must register with the Commission and purchase South Dakota identification stamps annually.

The Division is responsible for guaranteeing that the rates for surface transportation are not discriminatory and are within the required rate guidelines determined by the Commission to be fair and reasonable. All carriers must submit changes in time schedules, tariffs, rates or classification to the Commission. The staff maintains complete files of all motor carriers' tariffs and handles complaints and inquiries from the general public.

The staff performs the duties associated with the filing of proof of proper insurance coverage, registration of operating authority and issuance of vehicle identification stamps.

The following chart provides the performance data in fiscal years 1980-1982 of the Transportation Division staff's handling of applications and motor carrier registration.

Motor Carrier Data

	FY1980	FY1981	FY1982
Number of Motor Carrier Applications	48	37	138
Intrastate Permits Issued:			
Class A	1	1	3
Class B	24	17	108
Class C	15	14	26
Number of Permits Denied	8	5	1
Number of Permits Transferred	82	89	59
Number of Motor Carrier Hearings Held	35	26	10
Intrastate Registrations	1,440	2,090	2,198
Identification Stamps Issued	184,349	210,579	268,082

Due to the change in state statutes regarding the issuance of motor carrier permits the number of applications rose by 188% between FY80-FY82. The largest increase being 350% in Class B Motor Carrier permits which are commercial vehicles operating over irregular routes on a call and demand basis. The change resulted in a 71% decrease in the number of carrier application hearings.

All motor carriers, both those with authority granted by the Interstate Commerce Commission and those transporting exempt commodities which may be transported without such authority, must register with the Public Utilities Commission prior to operating over the highways of this state. A one-time registration is required for each carrier; during this period of FY80-FY82, 5,058 carriers registered with the Commission. Each year, the carrier must obtain an identification stamp for each vehicle that will be operated within the state. The number of identification stamps issued increased 45% from FY1980 to FY1982.

Enforcement Section

The Public Utility Commission inspectors conduct and carry out investigative, monitoring and enforcement activities for the Commission to assure and obtain compliance with the provision of the motor carrier statutes and rules and regulations promulgated by the Commission. When such carriers are found to be operating without proper authority or are conducting their operations in violation of established rules and regulations, or operational or administrative procedures; steps are taken to require compliance. If conditions warrant, violators are arrested and prosecuted in the courts.

Enforcement Statistics

	FY1980	FY1981	FY1982
Total Number of Arrests	466	584	432
Breakdown by Citation:			
Interstate Authority	373	459	312
Grain Buyer License	13	13	5
PUC Rules (Safety)	14	15	13
License Violations	44	51	58

Approximately 70-80% of the arrests are made due to motor carriers operating without interstate authority. The citations issued by the PUC inspectors resulted in fines of $24,424 in FY1980, $33,605 in FY1981 and $31,986 in FY1982. The average fine per arrest in FY1982 was $74.04. The fines are collected in the county where the arrest was made and the revenue is earmarked for aid to local school districts and the state law enforcement training center.

Public Warehousing Section

The Public Warehousing section is charged with the licensing and bonding of warehouses and grain elevators, handling of complaints and the exercise of its jurisdiction with respect to the handling, shipping and storing of grain.

The following is a description of the types of public warehouses and the bonding requirements of each:

Public grain warehouses include all elevators, flour mills purchasing grain and seeds for reshipment, and public warehouses in this state where grain and seeds are purchased, received, stored or handled.

Public terminal grain warehouses include a public grain warehouse designed, constructed and used or intended to be used for public storage grain when the different owners of grain desire that the grain be inspected, sampled, and weighed by independent inspectors, samplers, and weighers not connected with or employed by the owner, operator, or lessee of the grain warehouse.

Grain warehouses and terminals require bonding before receiving authority certificates. A $5,000 bond must be assured for the first 10,000 bushels of stored grain. Thereafter bonding requirements for grain warehousing are indexed to the price of the particular commodity being stored.

One type of grain warehouse is actually a firm which buys grain for reshipment. This type of grain warehouse is non-sharing and needs only to secure a license from the Commission, thus does not need to meet the bonding requirements.

Public Storage warehouses include all those where any personal property except grain and seeds is received for storage for hire. Their bonding requirements are based on the square footage of their storage area.

Also associated with the public warehousing section are the licensing of grain buyers and public terminal grain warehouse weightmaster. A weightmaster is required to be a competent person of good moral character who is a paid employee of a municipality, chamber of commerce or other similar organization and who is not an interested party, either as an owner or employee of any public grain warehouse or a public terminal grain warehouse and who shall in no manner be interested in the handling storing, shipping, purchasing, or selling of grain or any of its products, nor in the employment of any person or corporation engaged therein, nor shall he be a member of any board of trade or organization of like character. The bonding requirement is the penal sum of five thousand dollars, conditioned upon the faithful performance of his duties as such weighmaster.

A grain dealers' license is required of any person, firm or corporation, other than a licensed public grain warehouseman, who shall purchase grain from the owner thereof for the purpose of resale. Upon application, a grain dealer must file a bond of at least $5,000 plus $5,000 for every truck.

The following chart presents the statistics of the public warehousing section for the fiscal years FY1980, FY1981, and FY1982

Public Warehousing Statistics

	FY1980	FY1981	FY1982
Number of Public Storage Warehouses	43	40	40
Number of Grain Warehouses (Non-Receipt Issuing)	116	120	122
Number of Grain Warehouses	502	493	479
Value of Stored Grain as of June 30	(Not avail.)	$61,036,589	$53,491,032
Number of Licensed Grain Dealers	217	321	291

The number of public storage warehouses going out of business was three for the period FY1980-82 while the number of grain warehouses was 17 for the same time period. The fluctuating number of grain buyers for each fiscal year is primarily attributable to the harvest condition in South Dakota and other states.

FIXED UTILITIES DIVISION

The Fixed Utilities Division is responsible for matters relating to the regulation of investor-owned electric, gas, telephone and telegraph utilities. This division is comprised of four sections: accounting, complaints, engineering and legal.

The accounting section consists of professional, technical and clerical personnel who assist the Commission in meeting its statutory obligations relating to the regulation of electric, gas, and telephone rates, service, certification and safety of utility facilities.

The engineering section is charged with the responsibility of ensuring the availability of utility services of a prescribed quality and in sufficient quantity to meet all reasonable requirements for public use. Engineering personnel participate in formal siting proceedings and provide recommendations to the Commission.

The complaint section investigates and resolves consumer complaints and prepares statistical summaries on consumer complaint activity.

The legal section consists of two assistant attorney generals and clerical personnel. They prepare notice of hearings, recommendations, and final orders, attend hearings, initate investigations, draft administrative rules, and represent the Commission in matters before the State and Federal courts and federal agencies such as the Federal Energy Regulatory Commission.

Accounting Section

The Accounting Section is charged with the responsibility of examining the annual reports of utilities and the preparation of statistics from such reports. Additionally, they conduct special examinations of the accounts of the utilities in rate case applications, prepare testimony and exhibits for rate case proceedings before the Commission and advise the Commission on accounting matters.

In the preparation of testimony and exhibits for rate case proceedings, certain considerations are accounted for in the treatment of rate base, cost of service and rate of return. The following is a brief summation of the methods implemented by the Commission staff in treatment of these areas. A historical Test Year is used for developing the staff's base rate case.

Rate Base:

An average year rate base is developed with the use of beginning and end of year statistics. The original cost method is prescribed by SDCL 49-34A-19. In determining rate base the following items have traditionally been allowed: land and/or property held for future use--provided that use is imminent in the near future, allowance for funds used during construction, contributions in aid of construction, advance payments, research and development for designated projects provided the project ultimately becomes plant in service, materials and supplies, allowance for working capital,* customer advances, accumulated tax deferrals, and pollution control equipment.

Cost of Service:

Service, trade and professional dues are the only allowable contributions and dues. The Commission policy is to limit advertising expenses including advertisement of special services and exclude advertising expenses for institutional and goodwill advertising and sales promotion and expenses. Straight line depreciation is prescribed for rate making purposes.

Rate of Return:

The Commission prescribes the allowed rate of return and can adjust the capital structure to exclude non-utility financing where traceable. The discounted cash flow and comparable earnings test are two methods favored in rate proceedings. The rate of return allowed for return on common equity in gas, electric and telephone cases averaged 12.3% in 1979, 13.1% in 1980 and 14.1% in 1981.

The Federal Energy Regulatory Commission requires all utilities to use the Uniform System of Accounts. FERC Form I Reports are required of the utility companies to be submitted to the Commission staff for review. The Utility industry statistics provided in this report were compiled from the company reports submitted to the Commission.

Regulation of electric and gas utilities came under the Commission jurisdiction in 1975 and the telephone industry in 1909. The regulation of these areas will be discussed in the following pages.

ELECTRIC UTILITY REGULATION

The Commission regulates six investor-owned electric utilities. During the period from fiscal year 1979 through 1981, rate increase applications in the amount of $67,242,237.00 were pending before the Commission. The following is a breakdown of those dockets and the determination of those proceedings.

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*Working capital is determined through the development of lead-lag studies.

		DATE FILED	DATE DECIDED	AMOUNT REQUESTED	PCTG. REQUESTED	AMOUNT GRANTED	PCTG. INCOME GRANTED	EFFECT. DATE OF RATES
				1980 Cases Filed				
NWPS,	F-3301	03-08-79	07-31-79	$9,740,643	27.9%	$5,919,647	17.0%	08-01-79
BHP&L,	F-3375	10-17-79	02-13-80	5,301,933	16.41%	3,982,097	12.3%	02-15-80
				1981 - CASES FILED				
NSP,	F-3353	06-23-80	11-19-80	$5,080,000	18.93%	$2,397,000	8.9%	11-23-80
BHP&L,	F-3354	06-26-80	11-19-80	4,345,688	11.03%	1,781,580	4.52%	11-19-80
NWPS,	F-3359	08-18-80	01-23-81	6,119,003	14.5%	3,107,246	7.4%	02-01-81
		08-18-80	Rejected	8,316,558	16.6%			
NWPS,	F-3367	11-05-80	04-30-81	9,417,423*	19.3%	8,453,234*		05-01-81
OTP,	F-3369	12-22-80	05-18-81	3,696,969	56.9%	2,473,109	38.1%	05-21-81
MDU,	F-3370	12-22-80	05-06-81	2,611,933	49.9%	2,013,441	38.5%	05-08-81
				1982 - CASES FILED				
NSP,	F-3382	06-15-81	12-15-81	$6,184,000	20.67%	$5,226,505	17.5%	12-15-81
BHP&L,	F-3389	10-13-81	04-13-82	6,428,087	15.97%	4,597,672	11.42%	04-13-82

*The request in F-3367 was for $12.4 million over F-3359 rates. The amount granted was $8.4 million over F-3359 rates.

Additionally, the Commission considered tariff and miscellaneous filings by the utilities. The Commission considered the following thirteen electric filings with two denials and one application dismissal.

Tariffs and Miscellaneous Filings

Docket	Description
F-3319	State Theatre application for exemption from PP & Industrial fuel act--GRANTED.

F-3342	IPS for approval of Tariffs relating to street lighting contracts - GRANTED
F-3358	Ottertail Power Company for approval of direct load control--GRANTED.
F-3372	Alumax Extrusions, Inc. for Electric Service--APPLICATION DISMISSED.
F-3380	BHPL issuance of 100,000 shares of common stock for Employee Tax reduction Act Stock Ownership plan--GRANTED.
F-3390	MDU application for miscellaneous electric tariff revisions--DENIED.
F-3392	Ottertail application for miscellaneous rate filing to controlled service rate--GRANTED.
F-3394	Tariff revision 111-S-2 Underground Service charge--GRANTED.
F-3395	Ottertail proposed minimum billing on controlled service account at Valley Queen Cheese Company of Milbank, SD--GRANTED.
F-3401	MDU application for electric tariff schedule--GRANTED.
F-3404	MDU application for revision of tariffs--DENIED.
8263	Revision of Tariff schedule applicable to electric service of Northwestern Public Service Company--GRANTED.

ELECTRIC UTILITY INCOME

The following statement represents the composite system-wide operating statements for all South Dakota investor-owned electric utilities for the past three years.

The Operating Income/Operating Revenue ratio declined to 17.6% in 1980 from 18.9% in 1979 but rose to 19.4% in 1981. During the period from 1979-1981 all categories rose with Operating Income increasing 25.2%, Operating Revenue 21.8% and Operating Expenses 21%.

The depreciation and amortization expense increase of 26% was the greatest single increase in operating expenses.

COMPARATIVE STATEMENT OF REVENUE AND EXPENSES
INVESTOR-OWNED ELECTRIC UTILITIES
1979-1981

	1979	1980	1981
Operating revenues:			
Sales to ultimate consumers	$1,002,539,822	$1,124,543,841	$1,254,821,484
Sales for resale	119,106,498	108,372,306	102,705,976
Other operating revenues	77,044,938	93,391,319	102,721,345
Total operating revenues	$1,198,691,258	$1,326,307,466	$1,460,248,805
Operating expenses:			
Operation maintenance	633,322,451	732,589,835	767,507,017
Depreciation and amortization	115,604,053	127,577,013	145,665,050
Taxes other than income	93,320,433	102,301,530	106,178,439
Income taxes:			
Currently payable	49,130,348	76,072,220	99,212,664
Deferred (net)	49,461,654	36,418,126	30,766,269
ITC	30,862,840	17,759,140	26,249,199
Total income taxes	$ 129,454,842	$ 130,249,486	$ 156,228,132
(Gains) losses from disposition of plant	(333,569)	4,874	1,885
Total operating expenses	$ 971,368,210	$1,092,722,738	$1,175,580,523
Operating income	$ 227,323,048	$ 233,584,728	284,668,282

Revenue and Consumption Ratio

The state-wide average for revenue per megawatt hour increased 24% from 1979 to 1981. Kilowatt hours sold to ultimate consumers in South Dakota rose by 0.6% during 1981. Average annual use for public street and highway lighting increased by 11.6% during 1981 while commercial, residential, and other sales to public authorities declined 1.2%, 8.9% and 11.6% respectively.

The average annual bill for residential customers rose 7.2% during 1981 while the commercial and industrial class, public street and highway lighting and other sales to public authorities rose 7.9%, 23.3% and 8% respectively. The revenue/megawatt hour was highest for public street and highway lighting costing $64.88.

AVERAGE
REVENUE AND CONSUMPTION STATISTICS
ELECTRIC UTILITIES

	1979	1980	1981
State-wide average for revenue per megawatt hour:	$ 43.09	$ 46.49	$ 53.46
Class of Service: (Revenue/megawatt hours)			
Residential	$ 47.33	$ 49.38	$ 58.09
Commercial & Industrial	$ 39.63	$ 45.01	$ 51.09
Public Street & Highway Lighting	$ 59.03	$ 56.86	$ 64.88
Other Sales to Public Authorities	$ 36.21	$ 37.37	$ 43.54
Average Annual Usage	(KWH)	(KWH)	(KWH)
Residential	8,311	8,067	7,344
Commercial & Industrial	48,998	49,019	48,385
Public Street & Highway Lighting	108,219	111,625	124,022
Other Sales to Public Authorities	76,959	80,299	70,923
Total Ultimate Consumers	242,487	249,010	250,674
Average Annual Bill			
Residential	$ 388.17	$ 395.72	$ 424.25
Commercial & Industrial	$ 2,028.12	$ 2,136.13	$ 2,306.39
Public Street & Highway Lighting	$ 6,676.00	$ 7,517.63	$ 9,272.64
Other Sales to Public Authorities	$ 2,862.24	$ 3,113.22	$ 3,365.85

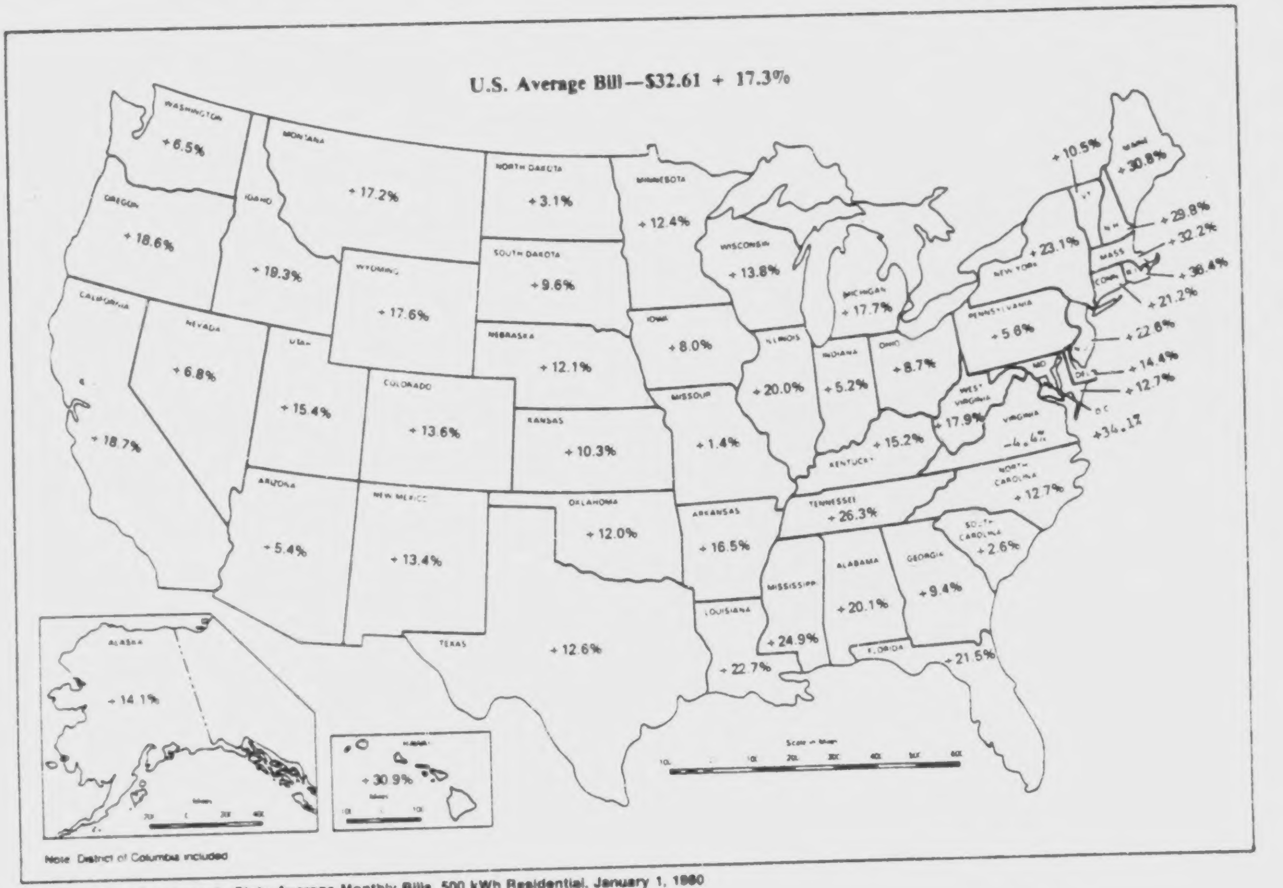
*Calculations exclude Iowa Public Service Company.

Source:
FERC Form No. 1: Annual Report of Electric Utilties, Licensees and Others pages 410 and 411, and 1981 Monthly Reports.

The average South Dakota Investor-Owned Utility Residential consumer uses 612 kwh of electricity per month at an average cost of $35.35 per month. This is about 18% below the United States monthly average bill. The United States average monthly bill increased 17.3% between January 1, 1980 and January 1, 1981 while South Dakota residential rates increased 9.6%.

FIGURE #1

Residential Service — Averages


U.S. Average Bill—$32.61 + 17.3%
WASHINGTON
+6.5%
OREGON
+18.6%
CALIFORNIA
+18.7%
NEVADA
+6.8%
IDAHO
+19.3%
MONTANA
+17.2%
WYOMING
+17.6%
UTAH
+15.4%
ARIZONA
+5.4%
COLORADO
+13.6%
NEW MEXICO
+13.4%
NORTH DAKOTA
+3.1%
SOUTH DAKOTA
+9.6%
NEBRASKA
+12.1%
KANSAS
+10.3%
OKLAHOMA
+12.0%
TEXAS
+12.6%
MINNESOTA
+12.4%
IOWA
+8.0%
MISSOURI
+1.4%
ARKANSAS
+16.5%
LOUISIANA
+22.7%
WISCONSIN
+13.8%
ILLINOIS
+20.0%
MICHIGAN
+17.7%
INDIANA
+5.2%
OHIO
+8.7%
KENTUCKY
+15.2%
TENNESSEE
+26.3%
MISSISSIPPI
+24.9%
ALABAMA
+20.1%
GEORGIA
+9.4%
FLORIDA
+21.5%
SOUTH CAROLINA
+2.6%
NORTH CAROLINA
+12.7%
VIRGINIA
-4.4%
WEST VIRGINIA
+17.9%
PENNSYLVANIA
+5.8%
NEW YORK
+23.1%
VT
+10.5%
MAINE
+30.8%
N.H.
+29.8%
MASS
+32.2%
R.I.
+38.4%
CONN
+21.2%
N.J.
+22.6%
DEL
+14.4%
MD
+12.7%
D.C.
+34.1%
ALASKA
+14.1%
HAWAII
+30.9%
Scale in Miles

Note: District of Columbia included

Figure 7. Percent Change in State Average Monthly Bills, 500 kWh Residential, January 1, 1980 and 1981

FIGURES #2 & #3

Residential Service — Averages

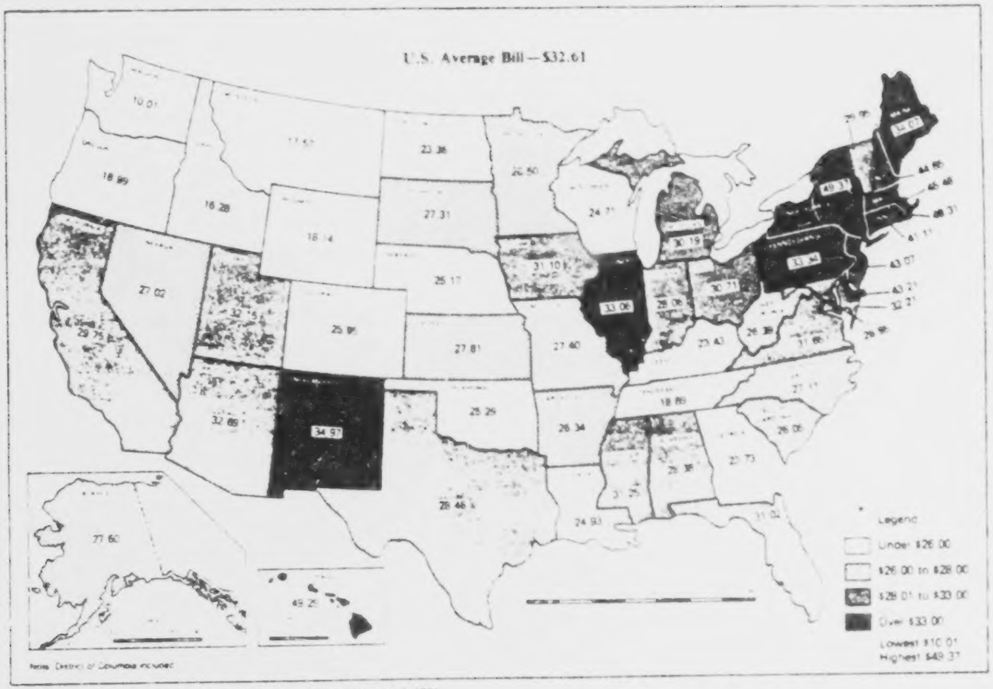

U.S. Average Bill—$32.61
10.01
18.99
16.28
17.57
23.36
26.50
27.31
18.14
25.17
27.02
32.5
29.75
25.95
27.81
32.69
34.97
25.29
28.46
24.71
31.10
33.06
30.19
28.06
30.71
33.34
49.37
34.07
29.95
44.66
45.48
48.31
41.11
43.07
43.21
32.21
29.95
27.40
23.43
26.39
31.66
18.89
27.17
26.34
26.06
31.25
25.38
23.73
24.93
31.02
27.60
49.29
Legend
Under $26.00
$26.00 to $28.00
$28.01 to $33.00
Over $33.00
Lowest $10.01
Highest $49.37
Note: District of Columbia included

Figure 3 State Average Monthly Bills, 500 kWh Residential: January 1, 1981

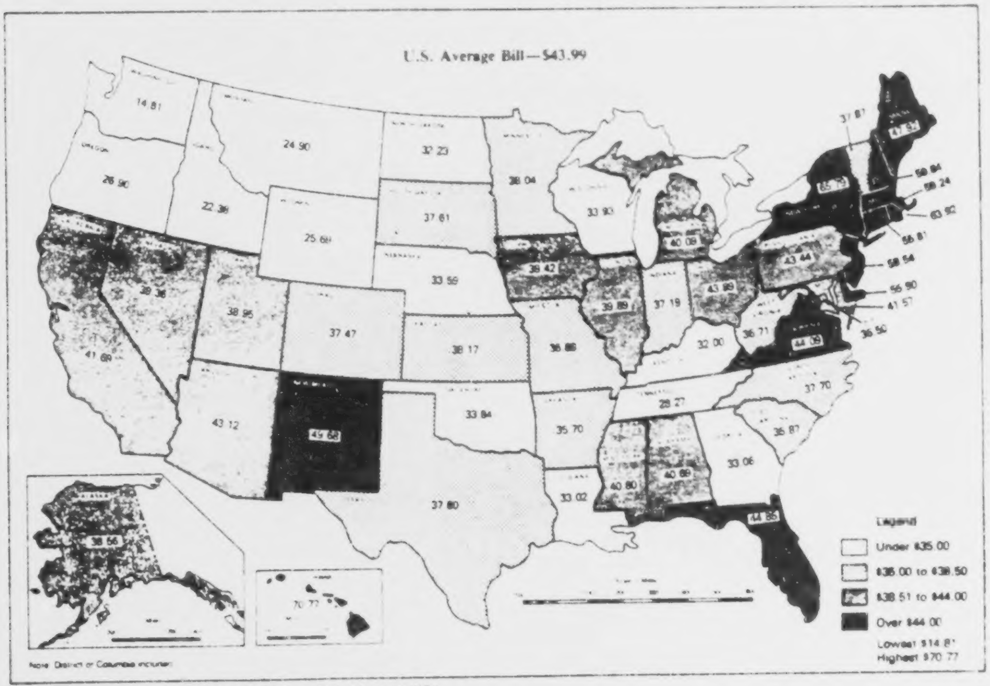

U.S. Average Bill—$43.99
14.81
26.90
22.36
24.90
32.23
37.61
25.68
33.59
39.36
38.95
37.47
38.17
41.68
43.12
49.68
33.84
37.80
38.04
33.93
38.42
40.08
39.89
37.19
43.89
43.44
65.79
37.87
47.92
58.84
58.24
63.92
56.81
58.54
56.90
41.57
36.50
36.86
32.00
36.71
44.09
37.70
28.27
35.70
35.87
33.06
40.80
40.89
33.02
44.85
38.56
70.77
Legend
Under $35.00
$35.00 to $38.50
$38.51 to $44.00
Over $44.00
Lowest $14.81
Highest $70.77
Note: District of Columbia included

Figure 4 State Average Monthly Bills, 750 kWh Residential: January 1, 1981

The average customer service charge or minimum bill for residential service for investor-owned utilities increased 26.3% from $4.22 in 1980 to $5.33 in 1981.

The differential range of cost for 500 kwh of electric service in 1981 for an investor-owned utility was $19.26.

SOURCE: The charts shown on the previous pages are reproduced from the Energy Information Administration Form 213.

TYPICAL ELECTRIC BILL COMPARISON
RESIDENTIAL SERVICE
June 30, 1980

Utility	Minimum Bill or Cust Chg	100kwh	250kwh	500kwh	750kwh	1000kwh	1500kwh	2000kwh
Black Hills P&L	$4.80	10.04	$17.90	$30.98	$43.45	$55.91	$80.84	$105.77
Iowa Pub Serv	2.55	7.45	13.96	24.80	35.40	45.99	66.18	86.87
MDU	5.00	9.70	16.77	26.53	36.80	45.07	63.61	82.14
NSP	2.50	6.64	12.86	23.20	33.56	43.90	64.60	85.20
NWPS	6.00	11.65	19.73	31.85	43.98	56.10	80.35	104.60
Otter Tail	4.50	9.24	16.14	26.99	35.96	43.67	59.11	74.54

June 30, 1981

Utility	Minimum Bill or Cust Chg	100kwh	250kwh	500kwh	750kwh	1000kwh	1500kwh	2000kwh
Black Hills P&L	$6.00	11.51	$19.78	$33.56	$47.33	$61.11	$88.67	$116.22
Iowa Pub Serv	2.55	7.57	14.27	25.43	36.33	47.24	68.06	88.87
MDU	5.00	11.83	22.06	37.57	52.71	67.84	98.10	128.37
NSP	5.75	10.77	18.30	30.84	43.39	55.93	81.02	106.11
NWPS	7.05	15.12	26.77	44.69	62.61	80.53	116.37	152.21
Otter Tail	5.60	12.07	21.37	35.21	49.05	62.89	84.89	106.89

GAS UTILITY REGULATION

Four investor-owned gas utilities are under the jurisdiction of the Public Utilities Commission. Approximately 11.8 million dollars was requested in increased gas rates during FY80-82, the Commission granted rate increases in the amount of 7.5 million dollars. The following rate increase dockets were heard before the Commission during FY80-82:

GAS RATE APPLICATIONS

	Date Filed	Date Decided	Amount Requested	% Requested	Effective Amount Granted	% Granted	Date of Rates
FY1980							
Minnegasco, F-3302	03/36/79	09/24/79	$1,597,000	8.35%	$ 979,038	5.1%	09/26/79
MDU, F-3312	06/25/79	12/24/79	1,930,510	10.65%	650,565	3.5%	12/26/79
FY1981							
MDU, F-3355	06/30/80	11/14/80	$2,798,734	13.5%	$1,841,600	8.65%	11/14/80
Minnegasco, F-3356	07/25/80	11/26/80	987,000	4.05%	667,000	2.7%	11/27/80
NWPS, F-3360	08/18/80	01/23/81	796,394	4.7%	650,899	3.8%	02/01/81
FY1982							
IPS, F-3378	03/31/81	09/22/81	331,974	6.5%	$ 239,621	4.7%	10/01/81
MDU, F-3384	06/30/81	12/01/81	1,500,000[1]				12/01/81
			2,745,969	17.9%			
			2,099,000[2]		1,356,269	5.7%	
NWPS, F-3391	10/23/81	03/31/82	1,227,893	5.9%	1,139,990	5.5%	04/01/82

[1] "Conditional Adjustment" request - None granted
[2] Revised request.

Nine tariff and miscellaneous filings were submitted for Commission review. The Commission approved all but one of these filings.

Tariff and Miscellaneous Filings

Docket	Description
F-3324	NWPS Tariff revision of schedules RE: Gas Service--GRANTED.
F-3362	IPS for approval of its gas extension policy--GRANTED.
F-3363	IPS for approval of Agricultural Crop Drying Service--GRANTED.
F-3386	NWPS Miscellaneous gas tariff revisions--GRANTED.
F-3390	MDU Miscellaneous gas tariff revisions--DENIED.
F-3393	MDU Tariff T24S gas service line replacement, relocation and repair--GRANTED.

F-3396 IPS for approval for a firm gas contract for large use customers--GRANTED

F-3400 IPS Gas rate schedule 293--GRANTED.

F-8247 Peoples Natural Gas Company for approval of tariffs--GRANTED.

GAS UTILITY INCOME

Operating Revenue and Operating expenses for all investor-owned gas utilities operating in South Dakota increased 39.4% and 43.2% in 1980 and 1981 respectively while operating income declined 18.9% for the period 1979-1981. The Operating Income/Operating Revenue ratio has declined from 6.1% in 1979 to 4.9% in 1980 to 3.5% in 1981.

The following statement represents the income statement for the total of all investor-owned gas utilities operating in South Dakota for the past three years.

Total Company Revenue, Operating Expenses and Operating Income
For Natural Gas Utilities Serving South Dakota
For Years 1979, 1980, and 1981

	1979	1980	1981
Revenues:			
Sales to ultimate consumers	$629,884,723	$682,668,147	$823,232,188
Sales for resale	3,046,845	3,081,743	63,108,491
Other Operating revenues	2,431,332	10,419,512	(249,987)
Total operating revenues	$635,362,900	$696,169,402	$886,090,692
Operating expenses:			
Operation and maintenance	$534,194,543	$609,066,503	$791,086,491
Depreciation and amortization	19,162,386	21,019,559	22,569,496
Taxes other than income taxes	20,188,371	21,185,733	23,695,150
Income taxes:			
Current	14,638,264	$1,134,069	(2,388,550)
Deferred-net	5,039,660	10,214,504	17,412,012
Investment tax credit-net	3,097,971	3,461,435	2,082,145
Total operating expenses	$596,321,195	$664,453,709	$854,456,744
Net operating income	$ 39,041,705	$ 34,715,693	$ 31,633,948

Revenue and Consumption Statistics

The customers of the natural gas industry have continued to face significant increases in the cost of natural gas. The largest single contributing factor has been the passage of the Natural Gas Policy Act of 1978 which requires deregulation of natural gas at the wellhead. Deregulation allows the price of natural gas to rise to the level of competing energy sources such as oil and coal and thus encourages the increase in new gas supply production.

As a result the average cost per MCF to residential customers increased 47% from $2.67 MCF in 1979 to $3.93 MCF in 1981. Customers have responded to the constant rise in price of natural gas by curtailing usage. The industry average annual residential use peaked at 154 MCF in 1979 declining to 133 MCF in 1980 and to 117 MCF in 1981.

TOTAL COMPANY AVERAGE REVENUE AND CONSUMPTION STATISTICS

	1979	1980	1981
Revenue per MCF			
Residential	$2.67	$3.05	$3.93
Commercial-Small	2.38	2.76	3.54
Industrial-Large	2.06	2.34	3.06
MCF per Customer			
Residential	154	133	117
Commercial-Small	761	658	593
Industrial-large	12,055	15,314	15,458
Revenue per Customer			
Residential	$411.00	$406.00	$460.00
Commercial-Small	1,811.00	1,816.00	2,099
Industrial-Large	24,833.00	35,835.00	47,301.00

The average monthly consumption for residential customers is 10 MCF. The cost of obtaining that service from an investor-owned utility in South Dakota in 1981 was at a high of $38.11 and at a low of $32.18. The minimum billing or customer service charge as an average for all companies was $3.00 and $3.68 respectively in 1980 and 1981.

CHART G-4

TYPICAL GAS BILL COMPARISON
RESIDENTIAL SERVICE
JUNE 30, 1980

Utility	Min Bill or Cust Chg	5MCF	10MCF	15MCF	20MCF	25MCF	30MCF	35MCF
Iowa Public Serv	$2.58	$15.93	$29.01	$42.07	$55.13	$68.20	$81.26	$94.33
Minnegasco	2.67	15.95	30.51	45.06	59.62	74.17	88.73	103.28
MDU	5.00	16.84	28.68	40.52	52.36	64.20	76.04	87.89
NWPS	2.00	16.10	29.79	43.48	57.17	70.86	84.55	98.24

June 30, 1981

Utility	Min Bill or Cust Chg	5MCF	10MCF	15MCF	20MCF	25MCF	30MCF	35MCF
Iowa Public Serv	$2.58	$19.32	$35,78	$52.24	$68.69	$85.14	$101.59	$118.05
Minnegasco	3.18	18.64	35.29	51.93	6858	85.28	101.87	118.52
MDU	5.45	18.81	32.18	45.55	58.91	72.27	85.64	99.00
NWPS	3.50	21.00	38.11	55.23	72.35	89.47	106.58	123.70

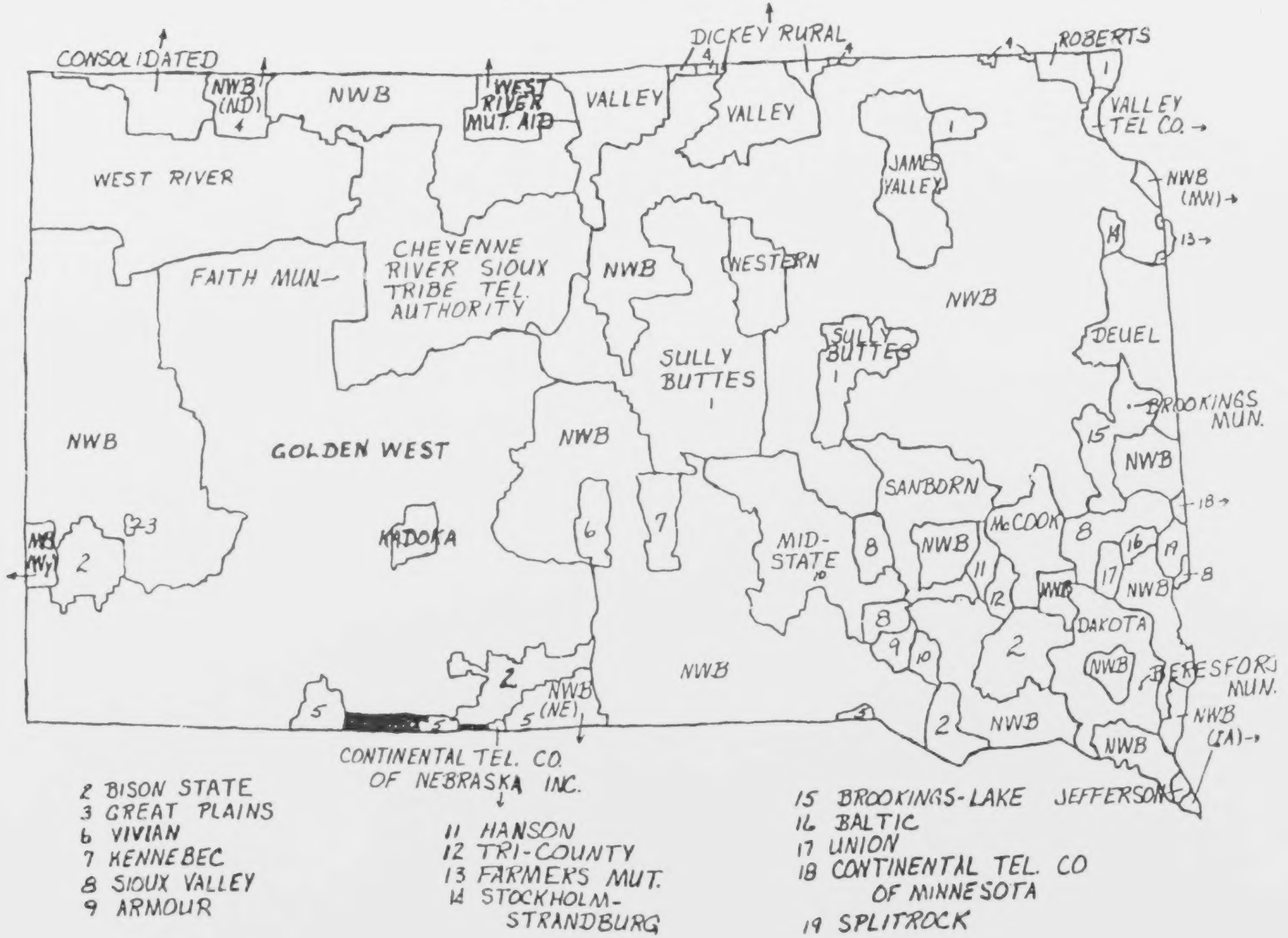
TELEPHONE UTILITY REGULATION

The Commission has regulated the telephone utility industry since 1909. Presently the Commission has rate jurisdiction over Northwesern Bell Telephone Company and Bison State Telephone Company. The South Dakota legislature removed independent telephone companies of less than 7,000 subscribers from the Commission's jurisdiction effective July 1, 1982. The Commission lost regulation of the municipal telephone companies effective July 1, 1980 and the telephone cooperatives on July 1, 1979. As of December 31, 1981, there were 279,145 main stations operating in South Dakota; the Commission has regulatory authority over 83.4% of them. Included in that 83.4% are foreign companies (9) which are telephone companies under the jurisdiction of other state public utility commissions but are serving customers residing within the boundaries of the state of South Dakota. The territorial boundaries of individual companies are represented in the following map. There are also 15 farm-owned telephone companies in South Dakota. This is down from 343 operating in 1966.

TELEPHONE CASES FILED

		Date Filed	Date Decided	Amount Requested	Percentage Requested	Amount Granted	Percentage Granted	Effective Date of Rates
				1979				
Sioux Valley Telephone Co	F-3316	06/07/79	10/23/79	52,231	5%	$ 52,231	5%	Upon cutover to 1-party (varies by exchange)
Northwestern Bell	F-3322	08/31/79	06/06/80	$ 3,781,377	5%	$2,695,550	3.5%	06/06/80
Kennebec Telephone Co	F-3326	09/19/79	09/08/80	$ 9,504	42%	$ 9,504	42%	upon cutover to 1-party
Union Telephone Co	8234	10/22/79	02/26/80	$ 34,384	18.5%	$ 34,384	18.5%	02/26/80
				1980				
Stockholm-Standburg Tel Co	F-3335	01/23/80	(revision to tariffs)					upon cutover to 1-party (1/1/81)
				1981				
Northwestern Bell	F-3375	01/30/81	02/02/82	$ 5,997,720	7%			
				$10,490,423	12%	$3,225,594		01/30/82
						$3,600,000	8.4%	06/23/82
Armour Independent Tel Co	F-3377	02/23/81	07/10/81	$ 12,400	7.8%	$ 12,400	7.8%	09/01/81
Bison State Telephone Co	F-3387	08/28/81	02/03/82	$ 453,439	10.4%	$ 364,642	8.4%	02/03/82
				1982				
Northwestern Bell	F-3410	05/26/82	Pending	$15,300,000	17%			
Bison State Telephone Co	F-3411	06/01/82	Pending	829,000	59%			

TELEPHONE BOUNDARIES IN SOUTH DAKOTA
JANUARY 1982


CONSOLIDATED
DICKEY RURAL
ROBERTS
NWB (ND)
4
NWB
WEST RIVER MUT. AID
VALLEY
VALLEY
1
VALLEY TEL CO.
WEST RIVER
JAMES VALLEY
1
NWB (MN)
13
14
CHEYENNE RIVER SIOUX TRIBE TEL. AUTHORITY
FAITH MUN
NWB
WESTERN
NWB
SULLY BUTTES 1
DEUEL
SULLY BUTTES 1
BROOKINGS MUN.
15
NWB
NWB
GOLDEN WEST
NWB
SANBORN
18
NWB (Wy)
2
2-3
KADOKA
6
7
MID-STATE 10
8
NWB
McCOOK
8
16
19
11
12
NWB
17
NWB
8
8
9
10
2
DAKOTA
NWB
BERESFORD MUN.
2
NWB
5
5
5
NWB (NE)
3
2
NWB
NWB
NWB (IA)
CONTINENTAL TEL. CO. OF NEBRASKA INC.
JEFFERSON

2	BISON STATE
3	GREAT PLAINS
6	VIVIAN
7	KENNEBEC
8	SIOUX VALLEY
9	ARMOUR
11	HANSON
12	TRI-COUNTY
13	FARMERS MUT.
14	STOCKHOLM-STRANDBURG
15	BROOKINGS-LAKE
16	BALTIC
17	UNION
18	CONTINENTAL TEL. CO OF MINNESOTA
19	SPLITROCK

From July 1, 1979 to June 30, 1982, the Commission received rate increase requests in the amount of $37 million. The Commission granted increases in the amount of $10 million and Commission decision is pending in the Northwestern Bell Docket F-3410 and Bison State Telephone Company Docket F-3411. The following are the individual rate requests and their disposition by the Commission. Additionally, the Commission reviewed the 32 following tariffs and miscellaneous filings by telephone utilities.

TARIFFS AND MISCELLANEOUS FILINGS

Docket	Description
F-3313	Armour Independent Telephone Company-General Exchange Tariff for Fire Reporting Service--GRANTED.
F-3315	Sioux Falls Structures & Schweiger's Inc. Change Service from Baltic Coop Telephone to NWB--GRANTED.
F-3327	NWB Change Tariffs, RE: Executive Override --GRANTED WITH REVISIONS.
F-3333	NWB Compliance with SD PUC Credit Rules & Collection Practices--GRANTED WITH STIPULATION.
F-3336	NWB for approval of Miscellaneous Tariffs--GRANTED ON TERMS AND CONDITIONS.
F-3341	Tri-County Mutual Telephone Company for approval of Services & Charges pertaining to the Touch-Tone Telephone Service--GRANTED.
F-3350	Electro-Craft Inc. for revision of rates--GRANTED
F-3352	NWB regarding introduction of a Hearing Speech Impaired discount dial station-to-station messages--GRANTED.
F-3373	NWB for approval of Miscellaneous Tariffs--GRANTED.
F-3383	Peoples Telephone and Telegraph for revision of Tariffs--GRANTED.
F-3388	Electro-Craft, Inc. for Two-way and One-way Paging Communication Service--GRANTED.

F-3397	NWB for distribution of Cost of Service Investigation--PENDING.
F-3398	Electro-Craft, Inc. for certification of Public Convenience - Two-way and Paging - Buffalo--GRANTED.
F-3399	MT Systems for application to service Gregory--PENDING.
F-3402	Golden West Telephone Cooperative for purchase and territorial rights of Pine Ridge Exchange from Bison State Telephone Company--GRANTED.
F-3403	Sioux Valley Telephone for application to provide mobile telephone service to Corsica--GRANTED.
F-3405	NWB for establishing long distance message telecommunication rates--CLOSED.
F-3406	Flash cut inside wiring station connection--CLOSED.
F-3407	Barry C. Eikamp application as radio common carrier for Gettysburg--PENDING.
F-3408	NWB for approval to flash cut the expensing of certain station connections--CLOSED.
F-3409	Hanson County Telephone to increase local service rates--GRANTED.
8230	In the matter of the Application of Peoples Telephone and Telegraph Company for approval of a revised service connection charge schedule--GRANTED.
8234	In the matter of the Application of Union Telephone Company, Hartford, SD for a proposed increase in local service rates--GRANTED.
8244	In the matter of Tariff provisions of Dakota Answering and Paging service--GRANTED.
8245	In the matter of the application of Northwestern Bell Telephone Company for approval of miscellaneous tariffs--GRANTED.
8246	In the matter of the application of Bison State Telephone Company for approval of miscellaneous tariff revisions--GRANTED.

8255 In the matter of the application of Northwestern Bell Telephone Company for approval of miscellaneous tariffs--GRANTED.

8256 In the matter of the application of Bison State Telephone Company for approval of miscellaneous tariffs--GRANTED.

8257 In the matter of the application of Northwestern Bell Telephone Company for the approval of miscellaneous tariffs--GRANTED.

8258 In the matter of the application of Western Union Telegraph Company for the approval of miscellaneous tariffs--GRANTED.

8259 Northwestern Bell Telephone Company for the approval of miscellaneous tariffs--GRANTED.

8260 Bison State Telephone Company for approval of miscellaneous tariffs--GRANTED.

Telephone Utility Operation

The following three operating statements represent the operations of Northwestern Bell Telephone Company, independent companies, rural telephone cooperatives and municipals for the calendar years 1979, 1980, and 1981. Effective July 1, 1982 the Commission regulates only the rates of Northwestern Bell Telephone Company and the Bison State Telephone Company.

During the period from January 1, 1979 to December 31, 1980 and January 1, 1981 to December 31, 1981, revenue for Northwestern Bell Telephone Company rose 7.8% and 4% respectively while independent company revenue rose 10.1% and 10.5%. Expenses for the same time period increased 9.7% and 6.9% for Northwestern Bell Telephone Company and 17.7% and 13.2% for the independent telephone companies.

Plant in Service per telephone for Northwestern Bell increased 5.7% during 1979-1980 and an additional 2.6% during 1980-1981. The independent telephone company's plant-in-service per telephone increased 6.9% during 1979-1980 and 16.1% in 1980-81.

SOUTH DAKOTA TELEPHONE COMPANIES
SUMMARY OF INTRASTATE OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1979

	N.W. Bell	RTA's	Class "A's"	Class "B's"	Municipals	Total
Revenues						
Local Service	$ 43,084,791	$ 4,297,681	$ 2,644,026	$ 26,513	$1,277,865	$ 51,330,876
/MS	209.66	118.12	122.33	101.58	149.04	188.49
Toll Service	29,874,721	8,271,984	5,744,900	43,232	1,470,732	45,405,569
/MS	145.38	227.35	265.80	165.64	171.53	166.73
Miscellaneous (net)	4,208,624	316,695	181,576	711	198,215	4,905,821
/MS	20.48	8.70	8.40	2.72	23.12	18.01
Total Operating Revenues	$ 77,168,136	$12,886,360	$ 8,570,502	$ 70,456	$2,946,812	$101,642,266
/MS	375.52	354.17	396.53	269.94	343.69	373.23
Expenses						
Maintenance	$ 13,557,862	$ 2,476,899	$ 1,776,334	$ 15,532	$ 429,076	$ 18,255,703
/MS	65.98	68.07	82.18	59.51	50.04	67.03
Depreciation & Amortization	10,787,164	4,218,413	1,730,734	11,387	392,323	17,140,021
/MS	52.49	115.94	80.07	43.63	45.76	62.94
Traffic	4,364,790	152,581	129,037		65,700	4,712,108
/MS	21.24	4.19	5.97		7.66	17.30
Commercial	8,066,434	371,909	315,934	3,165		8,757,442
/MS	39.25	10.22	14.62	12.13		32.16
General	12,429,732	1,259,697	928,026	20,331	744,486	15,382,272
/MS	60.49	34.62	42.94	77.90	86.83	56.48
Taxes (excluding F.I.T.)	4,457,902	616,162	514,499	2,837	28,915	5,620,315
/MS	21.69	16.93	23.80	10.87	3.37	20.64
Federal Income Taxes (F.I.T.)	7,304,743	1,524	412,740	398		7,719,405
/MS	35.55	0.04	19.10	1.52		28.35
Miscellaneous (net)	13,413	1,143,973	516,008	2,812	33,427	1,709,633
/MS	0.07	31.44	23.87	10.77	3.90	6.28
Total Operating Expenses	$ 60,982,040	$10,241,158	$ 6,323,312	$ 56,462	$1,693,927	$ 79,296,899
/MS	296.76	281.45	292.55	216.33	197.56	291.18
Net Operating Income	$ 16,186,096	$ 2,645,202	$ 2,247,190	$ 13,994	$1,252.885	$ 22,345,367
/MS	78.76	72.72	103.98	53.61	146.13	82.05
Net Income	$ 15,124,171	$ 1,744,846	$ 1,531,988	$ 5,178	$1,574,638	$ 19,980,821
Net Plant-in-Service (Ave.)	$169,538,797	$49,324,640	$25,248,180	$151,982	$5,503,129	$249,766,728
/MS	825.01	1,355.63	1,168.14	582.31	641.84	917.14
Main Stations - MS	205,499	36,385	21,614	261	8,574	272,333
Extensions	201,004	24,107	12,738	104	6,262	244,215
Service Stations	124	4	263	30		421
Total	406,503	60,492	34,352	365	14,836	516,548
Rate of Return	8.921	3.537	6.068	3.407	28.615	8.000
Gross Margin	20.975	20.527	26.220	19.862	53.435	19.658

SOUTH DAKOTA TELEPHONE COMPANIES
SUMMARY OF INTRASTATE OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1980

	N. W. Bell	Independent	RTA	Municipal*	Total
Revenues					
Local Service	$ 46,398,922	$ 2,885,658	$ 4,466,080	$ 1,150,358	$ 54,901,018
/MS	222.94	130.37	121.73	124.63	198.79
Toll Service	32,209,474	6,541,358	7,869,159	1,607,122	48,227,113
/MS	154.76	295.52	214.49	174.12	174.62
Miscellaneous (net)	5,686,678	204,991	372,415	192,350	6,456,434
/MS	27.32	9.26	10.15	20.84	23.38
Total Operating Revenues	$ 84,295,074	$ 9,632,007	$ 12,707,654	$ 2,949,830	$109,584,565
/MS	405.02	435.15	346.37	319.59	396.79
Expenses					
Maintenance	$ 14,484,046	$ 1,910,928	$ 2,849,571	$ 446,779	$ 19,691,324
/MS	69.59	86.33	77.67	48.41	71.30
Depreciation and Amortization	13,998,783	2,205,609	4,457,106	387,832	21,049,330
/MS	67.26	99.64	121.49	42.02	76.22
Traffic	4,735,851	136,216	159,313	57,809	5,089,189
/MS	22.75	6.15	4.34	6.26	18.43
Commercial	8,991,316	410,152	413,850	253,577	10,068,895
/MS	43.20	18.53	11.28	27.47	36.46
General	14,046,597	1,173,935	1,511,338	527,063	17,258,933
/MS	67.49	53.04	41.20	57.10	62.49
Taxes (excluding F.I.T.)	5,023,673	528,752	623,968	15,620	6,192,013
/MS	24.14	23.89	17.01	1.69	22.42
Federal Income Taxes (F.I.T.)	6,494,368	635,579			7,129,947
/MS	31.20	28.71			25.82
Miscellaneous (net)	33,173	603,432	1,304,311	937	1,941,853
/MS	0.16	27.26	35.55	0.10	7.03
Total Operating Expenses	$ 67,807,807	$ 7,604,603	$ 11,319,457	$ 1,689,617	$ 88,421,484
/MS	325.79	343.55	308.54	183.05	320.17
Net Operating Income	$ 16,487,267	$ 2,027,404	$ 1,388,197	$ 1,260,213	$ 21,163,081
/MS	79.23	91.60	37.83	136.54	76.62
Net Income	$ 16,848,714	$ 1,145,306	$ 658,288	$ 1,663,265	$ 20,315,573
Net Plant in Service (Ave)	$181,552,062	$ 27,501,013	$ 50,355,357	$ 5,824,094	$265,232,526
/MS	872.33	1,242.42	1,372.57	631.00	960.38
Main Stations - MS	208,124	22,135	36,687	9,230	276,176
Extensions	204,581	13,737	25,694	5,646	249,658
Service Stations	63	106	4		173
Total	412,768	35,978	62,385	14,876	526,007
Rate of Return	9.081	4.165	1.307	28.558	7.660
Gross Margin	19.559	21.049	10.924	42.722	19.312

* Faith Excluded

SOUTH DAKOTA TELEPHONE COMPANIES
SUMMARY OF INTRASTATE OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1981

	N. W. Bell	Independent	RTA	Municipal*	Total
Revenues					
Local Service	$ 49,152,987	$ 3,167,361	$ 4,705,386	$ 1,226,319	$ 58,252,053
/MS	236.11	146.27	127.11	133.15	211.01
Toll Service	33,230,618	7,335,190	9,806,094	1,749,619	52,121,521
/MS	159.63	338.75	264.90	189.97	188.81
Miscellaneous (net)	5,310,987	(86,336)	349,423	187,867	5,761,941
/MS	25.51	(3.99)	9.44	20.40	20.87
Total Operating Revenues	$ 87,694,592	$ 10,416,215	$ 14,860,903	$ 3,163,805	$116,135,515
/MS	421.25	481.03	401.45	343.52	420.69
Expenses					
Maintenance	$ 16,008,774	$ 2,447,633	$ 3,274,968	$ 563,655	$ 22,295,030
/MS	76.90	113.03	88.47	61.20	80.76
Depreciation and Amortization	15,112,292	2,490,421	4,759,734	415,306	22,777,753
/MS	72.59	115.01	128.58	45.09	82.51
Traffic	5,192,943	151,572	168,405	57,901	5,570,821
/MS	24.94	7.00	4.55	6.29	20.18
Commercial	9,954,254	459,511	464,096	382,851	11,260,712
/MS	47.82	21.22	12.54	41.57	40.79
General	15,215,849	1,065,099	1,780,889	391,712	18,453,549
/MS	73.09	49.19	48.11	42.53	66.85
Taxes (Excluding F.I.T.)	5,894,490	598,962	705,726	25,930	7,225,108
/MS	28.31	27.66	19.06	2.82	26.17
Federal Income Taxes (F.I.T.)	5,157,280	476,735	408,564		6,042,579
/MS	24.77	22.02	11.04		21.89
Miscellaneous (net)	26,859	734,403	1,402,647	100,830	2,264,739
/MS	0.13	33.92	37.89	10.95	8.20
Total Operating Expenses	$ 72,562,741	$ 8,424,336	$ 12,965,029	$ 1,938,185	$ 95,890,291
/MS	348.55	389.05	350.24	210.45	347.35
Net Operating Income	$ 15,131,851	$ 1,991,879	$ 1,895,874	1,225,620	$ 20,245,224
/MS	72.70	91.98	51.21	133.07	73.34
Net Income	$ 15,548,779	$ 901,195	$ 1,365,122	$ 1,809,856	$ 19,624,952
Net Plant in Service (Ave.)	$186,379,943	$ 31,257,612	$ 53,081,157	$ 6,058,547	$276,777,259
/MS	895.30	1,443.50	1,433.93	657.82	1,002.60
Main Stations - MS	208,177	21,654	37,018	9,210	276,059
Extensions	203,414	14,033	27,670	5,605	250,722
Service Stations	62	50	4		116
Total	411,653	35,737	64,692	14,815	526,897
Rate of Return	8.119	6.372	3.572	20.230	7.315
Gross Margin	17.255	19.123	12.757	38.739	17.432

*Faith did not report.

The number of telephones in the state increased from 504,192 in January, 1979 to 532,081 in December, 1981. Of this increase of 27,889 telephones, Northwestern Bell increased their main stations by 7,960 and extension by 10,187. Of the remaining increase of 9,680 telephones 72.4% of that was attributable to an increase in rural telephone association customers.

SOUTH DAKOTA TELEPHONE COMPANIES
TELEPHONES IN STATE
FOR THE YEAR ENDED DECEMBER 31, 1981

	Main Stations	Extensions	Service Stations	Total
Northwestern Bell	208,177	203,414	62	411,653
Independents	21,654	14,033	50	35,737
Municipals*	9,210	5,605		14,815
R. T. A. Cooperatives	37,018	27,670	4	64,692
Foreign Exchange	3,086	2,098		5,184
Totals	279,145	252,820	116	532,081

Telephone Rates

The following chart represents the average monthly service rate for business and residence service for the years 1979, 1980, and 1981.

Average Monthly Telephone Rates

	NWB	Independents	RTA's	Municipals
1979-Business	15.55	$11.69	11.23	10.86
Residence	6.80	7.29	7.48	5.45
1980-Business	15.55	11.69	11.23	10.86
Residence	6.21	7.29	7.48	5.45
1981-Business	15.55	11.69	11.54	10.86
Residence	6.44	7.29	7.73	5.45

The following charts represent the telephone rates for the companies regulated by the Commission. Northwestern Bell added a new rate group for areas serving 45,001-60,000 population. The most significant change in the rate structure from 1979 to 1981 was the decreased cost of an extension from $1.25 per extension per month to $.45 for residential service and from $2.10 per extension per month to $1.10 for business service.

Telephone Rates

Northwestern Bell Telephone Company

Rate Group	Base Rate Area Business 1	Residence 1	Residence 2	Residence 4*	Semi-Public	Business Extensions	Residence Extensions	Rural Bus. Multi-Party	Rural Res. Multi-Party	Agri-Business	Service Station
A (0-500)	$ 11.00	$ 4.85	$ 3.70	$	$ 6.00	$ 1.10	$ .45	4 5.60	$ 3.60	$ 10.70	$ 1.55
B (501-1000)	12.10	5.20	3.95		6.55	1.10	.45	5.85	3.85	11.05	1.60
C (1001-2000)	13.25	5.55	4.25		7.15	1.10	.45	6.15	4.15	11.40	1.70
D (2001-5000)	14.60	5.95	4.60	3.75	7.80	1.10	.45	6.50	4.50	11.80	1.85
E (5001-10,000)	15.95	6.35	4.95	4.05	8.50	1.10	.45	6.85	4.85	12.20	1.95
F (10,001-20,000)	17.50	6.80	5.35	4.40	9.25	1.10	.45	7.25	5.25	12.65	2.10
G (20,001-30,000)	19.10	7.25	5.70	4.70	10.05	1.10	.45	7.60	5.60	13.10	2.20
H (30,001-45,000)	20.90	7.75	6.15	5.10	10.95	1.10	.45	8.05	6.05	13.60	2.35
I (45,001-60,000)	22.70	8.25	6.60	5.50	11.85	1.10	.45	8.50	6.50	14.10	2.50

*service is obsolete

Note: Rates are for access to network only; set charge is additional.

(As of 4-1-82)

Independent Companies

Telephone Rates

Independents	Bus. 1-Party	Bus. 2-Party	Rural Bus. 1-Party	Res. 1-Party	Rural Res. 1-Party	Res. 2-Party	Res. 4-Party	Pay Stations	Bus. Exten.	Res. Exten.	Rural Res. Multi -	Rural Bus. Party
Armour Ind. Tel. Co.	$ 10.00		$ 8.50	$ 6.00		$ 5.00			$ 1.25	$ .75	$ 6.00	
Bison State (High Group)	13.90		13.90	7.95	$ 7.95			$ 16.90	1.50	1.00		
C.R.S.T. Tel. Authority	10.50			10.50				15.00	1.00	1.00	10.50	$ 10.50
Great Plains Independent	17.20			7.85		6.35	$ 6.90		1.50	1.00		
Hanson County Tel. Co.	10.00			6.30	9.50				1.50	1.00	5.55	
Jefferson Tel. Co.	12.00		16.00	6.00	8.50			12.00	1.50	1.00		
Kadoka Tel. Co.	10.60	$ 8.85	14.55	5.30	9.25	4.40	4.40	15.00	1.25	1.00	5.30	
Kennebec Tel. Co.	9.00			7.00	9.00	5.50			1.00	1.00	7.00	
Sioux Valley (High Group)	14.00		16.00	8.00	9.50	6.50	5.25	12.00	1.50	1.00	8.00	
Tri-County Mutual Tel. Co.	11.50			7.75				11.50	1.50	1.00		
Union Tel. Co.	12.25			7.50		5.75			1.25	1.00	6.50	8.25
Western Tel. Co.	9.75	8.50		6.25	12.00	5.25			1.75	1.25	6.00	

COMPLAINT SECTION

The Complaint section has the primary responsibility for consumer relations and communications. This involves investigating and resolving consumer complaints, and preparation of statistical summaries on consumer complaint activity. Consumers who have first contacted the utility and wish further assistance may call or write the Commission directly. A staff member will discuss the problem with the consumer and if necessary, initiate an investigation on the consumer's behalf.

Consumer Complaints Received

The number of complaints increase between the months of January and April. The nature of the complaint normally is dealing with an inquiry into the rules governing deposit and disconnections.

CONSUMER COMPLAINTS RECEIVED

YEAR	ELECTRIC	GAS	TELEPHONE	TOTAL
1981	323	165	188	676
1980	459	177	117	753
1979	326	155	173	654
1978	357	97	210	664
1977	296	38	273	607
1976	119	25	115	259

CONSUMER COMPLAINTS BY CATEGORY FOR THE YEAR ENDING 12-31-80

	Meter or Service Problem	Deposit or Disconnect	Want Service /Rural or Service Imprv	Boundary or Territory dispute	Tariff/ Billing Practices	Rate Increase
1980						
ELECTRIC:						
BHPL	1	83	0	0	14	1581*
IPS	0	16	0	0	1	17
MDU	1	0	0	0	0	622*
NSP	4	30	0	0	7	9
NWPS	9	155	1	3	34	1042*
Ottertail	0	12	0	0	2	0
Municipals**	–	4	1	–	–	–
Cooperatives**	–	1	–	–	1	–
Electric Total	5	301	2	3	59	3262*
GAS:						
Cengas	2	53	0	0	7	2
IPS	0	15	0	0	4	0
MDU	6	45	0	0	11	516*
NSD	1	1	0	0	1	0
NWPS	0	23	0	0	3	2
Gas Total	9	137	0	0	26	520*
TELEPHONE:						
NWB	0	28	7	2	31	30*
Bison State	0	1	4	0	3	0
Cheyenne River Sioux	1	0	0	0	0	0
Peoples Telephone	0	2	0	0	1	0
Sioux Valley	1	0	0	0	0	0
Stockholm-Strandburg	0	0	0	0	1	0
Union Telephone	1	0	1	0	0	0
Cooperatives**	2	1	1	0	0	0
Telephone Total	5	32	13	2	36	30*
COMPLAINT TOTALS	9	440	15	5	1 21	3812*

**not regulated by Public Utilties Commission

*3712-Petitioners signatures included in total

CONSUMER COMPLAINTS BY CATEGORY FOR THE YEAR ENDING 12-31-81

	Meter or Service Problem	Deposit or Disconnect	Want Service /Rural or Service Imprv	Boundary or Territory dispute	Tariff/ Billing Practices	Rate Increase
ELECTRIC:						
BHPL	9	51	2	0	27	5
IPS	0	4	0	0	7	0
MDU	3	1	0	0	5	3
NSP	2	19	0	0	23	4
NWPS	11	71	1	3	36	27
Ottertail	1	4	0	0	2	2
Electric Total	26	150	3	3	1 00	41
GAS:						
Minnegasco	7	33	0	0	22	1
IPS	3	13	0	0	2	0
MDU	7	15	1	0	23	6
MWPS	1	18	1	0	11	0
Gas Total	18	80	2	0	58	7
TELEPHONE:						
Bison State	4	3	5	0	1	1
Cheyenne River	1	0	0	0	1	0
Peoples Tele.	0	0	1	0	1	0
Sioux Valley	0	0	0	1	0	0
Union Tele.	0	1	0	0	0	0
Western Tele.	1	0	0	0	0	0
NWB	20	54	4	3	62	14
Cooperatives						
Telephone Total	26	58	10	4	65	15
COMPLAINT TOTALS	70	288	15	7	2 23	63

*Not regulated by Public Utilities Commission

MONTHLY COMPARISON OF COMPLAINTS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
BHPL	5	8	10	8	6	6	5	8	5	10	6	9	86
IPS	3	3	1	-	1	2	-	-	1	-	-	-	11
MDU	-	2	-	-	-	1	4	1	2	1	-	-	12
NSP	3	3	11	3	3	2	3	4	6	8	2	-	48
NWPS	17	16	16	12	7	6	14	18	16	7	11	9	149
Ottertail	1	-	1	-	-	-	3	2	2	-	-	-	9
Cooperatives	0	0	0	1	2	1	0	0	0	0	1	0	5
Municipals	0	2	0	1	0	0	0	0	0	0	0	0	3
Electric Total	29	34	40	25	19	17	26	36	31	27	21	18	323
Gas													
IPS	1	4	5	3	-	2	-	-	-	1	-	1	17
Cengas	9	11	9	9	2	1	3	5	5	2	6	1	63
MDU	3	8	10	2	7	5	3	2	1	4	3	4	52
NWPS	3	9	4	5	-	3	3	1	-	1	1	1	31
Local Propane Supplies	1	-	-	-	-	-	-	-	-	-	-	-	1
Gas Total	17	32	28	19	9	11	9	8	6	8	10	7	164
Telephone													
Bison State	-	-	1	-	2	2	2	-	3	1	1	2	14
Northwestern Bell	12	11	15	16	9	13	17	22	15	10	9	8	157
Union Telephone	-	-	-	-	-	-	-	-	-	-	-	1	1
RTA's	2	-	-	2	2	1	-	-	-	2	1	-	10
Peoples Tele & Teleg	-	-	-	1	-	-	-	-	1	-	-	-	2
Sioux Valley Telephone	-	-	-	-	-	-	-	-	-	1	-	-	1
Western Telephone	-	-	-	-	1	-	-	-	-	-	-	-	1
Cheyenne River Sioux Tribe	-	1	-	1	-	-	-	-	-	-	-	-	2
Telephone Total	14	12	16	20	14	16	19	22	19	14	11	11	188
Grand Total	60	78	84	64	42	44	54	66	56	49	42	36	675

The Commission has promulgated rules concerning the billing practices of utilities. These include: penalty for late payment and carrying charge; a consumer has 20 days to pay from the day the bill is issued, if he fails to pay a disconnect notice is issued allowing 10 days to remit the amount or his service will be terminated, in the winter months 30 additional days are allowed prior to diconnection, and when credit has not been established by a customer a deposit may be required. Interest is earned on the deposit at a rate of 6% and may be automatically returned to the customer after one year provided there have been no late payments.

ENGINEERING SECTION

The Engineering Section plans and administers the development and implementation of engineering programs to insure that all utilities regulated by the Commission adhere to the established standards of service and safety adopted by the Commission. Major areas of activity include: processing formal and informal complaints requiring engineering expertise, preparation of territorial maps, development of engineering related evidence for Commission proceedings, inspection of generating and transmission facilities and review of utility energy-conversion plans.

The Energy Transmission Siting law, effective July 1, 1979, required each utility planning construction of an energy transmission facility within the state of South Dakota to obtain a permit issued by the Commission. During the FY80-82 triennium, the following applications were received for Commission review:

Docket F-3343 — Northern States Power Company

Application for a permit to construct approximately five miles of a double circuit 345KV transmission line and associated facilities from the Western Area Power Administration 345KV transmission line to the Split Rock Substation.

Filed: March 6, 1980

Disposition: Application denied, April 18, 1980.

Docket F-3349 — Northern States Power Company

Application for a permit to construct approximately 5 miles of a double circuit 345 KV transmission line and associated facilities from the Western Area Power Administration 345 KV transmission line to the Split Rock substation.

Filed: April 25, 1980

Disposition: Permit granted, April 23, 1981.

Docket F-3361 — Northern States Power Company

Application for a permit to construct approximately 0.9 miles of a double circuit 161/115 KV transmission line and associated facilities from the Split Rock substation to the existing 161 KV Lawrence-Magnolia transmission line.

Filed: September 1, 1980

Disposition: Permit granted, December 22, 1980

Docket F-3364 — Northern Border Pipeline Company

Application for a permit to construct approximately 180 miles of 44 inch diameter natural gas pipeline and associated facilities from a point on the Minnesota-South Dakota border east of Astoria, South Dakota to a point on the North Dakota-South Dakota border north of Eureka, South Dakota.

Filed: October 16, 1980

Disposition: Permit granted, April 13, 1981. Amendments to original permit granted May 22, 1981 and June 16, 1981.

Docket F-3371 Nebraska Public Power District

Application for a permit to construct approximately 233 miles of a 500 KV single circuit transmission line and associated facilities from a point on the North Dakota-South Dakota border 2.5 miles east of Brown-Marshall County line to a crossing of the Gavins Point Dam west of Yankton, South Dakota.

Filed: January 14, 1981.

Disposition: Permit was denied on January 14, 1982. The Commission's Decision is on appeal in the South Dakota 6th Circuit Court.

Docket F-3385 Basin Electric Power Cooperative

Application for a permit to construct a 345KV substation near Groton, South Dakota.

Filed: July 1, 1981.

Disposition: Permit Granted, November 2, 1981.

The Commission has territorial jurisdiction over utilities as provided for in SDCL 49-34A. During the period of FY80-82, the Commission or the Courts ruled in the following six territorial disputes.

Docket F-3155 City of White

An application was made by the City of White, November 8, 1976 for certification of its municipal boundaries for service of its residents. The application also requested a determination by the PUC of the applicability of the buy-out provisions in the event of annexed territory to a municipality.

The Public Utilities Commission issued an order on December 23, 1976 declaring the City of White entitlement for certification of its system to the exclusion of Ottertail Power Company and that Ottertail Power Company was not entitled to payment for the territory.

Ottertail applied for rehearing on the decision which was granted by the PUC. The rehearing resulted in a PUC order issued December 14, 1977 which entitled the City of White for certification of the system but found the PUC did not, under its statutory authority, have the right to determine the compensation issue.

Ottertail filed an appeal to the Hughes County Circuit Court which issued an order on July 19, 1978 which affirmed the order of the Commission of December 14, 1977 but remanded the compensation issue to the Commission for consideration.

Ottertail filed an appeal of the Circuit Court decision to the South Dakota Supreme Court. The South Dakota Supreme Court, on July 19, 1980, affirmed the entitlement of the certification of the City of White and reversed the order of remand of the Compensation issue by the Circuit Court.

Docket F-3111 Aberdeen City Vicinity

Application to assign certain electrical services areas of the Aberdeen City vicinity to Northern Electric Cooperative and Northwestern Public Service Company. The Commission rendered their decision of assignment on December 28, 1976. A notice of appeal was filed by Northwestern Public Service in Hughes County Circuit Court. On July 18, 1977 a Circuit Court Order reversed the Commission decision and remanded the case to the PUC for implementation of the statutory guidelines and territory assignments as ascertained by the Court. Northern Electric Cooperative filed an appeal to the Circuit Court decision with the South Dakota Supreme Court. On June 21, 1979 the Supreme Court affirmed the Circuit Court decision but modified the directions regarding the territorial assignments.

As a result, the PUC reheard the docket issuing a revised decision on May 15, 1980. Northern Electric filed for a rehearing which was denied and Northwestern Public Service filed an appeal in Circuit Court. On May 11, 1981, the Circuit Court affirmed the May 15, 1980 order by the PUC. Northern Electric filed for appeal in the Supreme Court which resulted in the Supreme Court upholding the PUC decision on April 7, 1981.

Docket F-3292 Clay-Union Electric

Clay-Union Electric filed a petition seeking a declaratory ruling from the Commission in determination of which utility, Clay-Union or Northwestern Public Service Company, had the right to serve Alumax. The April 6, 1979 Commission decision authorized Clay-Union Electric to serve Alumax. Northwestern Public Service filed a motion to stay the Commission's decision on April 21, 1979 which was denied by the Circuit Court.

On August 30, 1979 the Circuit Court reversed the Commission's decision. An appeal to stay the Circuit Court Order was made by Clay Union Electric. On December 30, 1980, the Supreme Court upheld the Circuit Court decision.

Docket F-3372 Alumax

In a continuation of Docket F-3292, Alumax petitioned the Commission for a Declaratory Ruling in respect to SDCL 49-34A-56 and applied for authority to have Clay-Union provide temporary service on January 13, 1981. The Commission ordered the denial of the temporary service motion on January 26, 1982.

The Commission decision dated February 12, 1982 precludes Alumax from relitigating the issue which had been litigated in Docket F-3292.

Docket F-3328 John A. and Kathlyn R. Mertz vs. Northern Electric Cooperative

In a formal complaint filed by the Mertz's on November 21, 1979, they contended Northern Electric Cooperative was failing to provide electrical service at their request.

The matter was resolved prior to scheduled hearing on November 30, 1979.

Docket F-3348 Mr. & Mrs. John Steinmetz vs. Northwestern Public Service Co.

A formal complaint was filed on April 18, 1980 by Mr. & Mrs. John Steinmetz regarding a dispute with Northwestern Public Service on the appropriate rate schedule for their electrical service. The complaint was settled without a Commission decision following the hearing on April 22, 1980.

Mr. & Mrs. Steinmetz filed a second complaint on January 8, 1982 charging Northwestern Public Service with discrimination in the application of utility rates. The Commission order dated March 31, 1982 held that Northwestern Public Service had discriminated and ordered them to install separate meters at a third party residence and business.

Docket F-3379 Mr. & Mrs. Justin Haiar vs. Northwest Public Service Co.

Mr. & Mrs. Justin Haiar contended that they were residing in Intercounty Electric Service area but were being served by NWPS. The Commission order dated April 30, 1981 found that NWPS had the right to serve the Haiar residence pursuant to an agreement between Intercounty Electric Service and NWPS dated October 10, 1975.

The Commission additionally approved the six following informal dockets.

8250 In the matter of the construction of the Fort Pierre Transmission Project--GRANTED.

8261 In the matter of the Petition of Valley Springs, South Dakota to transfer their assigned service area to Sioux Valley Empire Electric Association, Inc.--GRANTED.

8262 In the matter of the Proposal of the City of Brookings to annex and purchase a certain portion of the assigned service territory of Sioux Valley Empire Electric Association, Inc.--GRANTED.

8264 In the matter of the Petition of the City of Onida, South Dakota to transfer a portion of their assigned service area to Oahe Electric Co-operative, Inc.--GRANTED.

8265 In the matter of the Proposal of the City of Brookings, South Dakota to annex and purchase a certain portion of the assigned service territory of Sioux Valley Empire Electric Association, Inc.--GRANTED.

8266 In the matter of the Proposed Agreement between Sioux Valley Empire Electric Association, Inc. and Lincoln-Union Electric Company, Inc.--GRANTED.

During the FY80-81 triennium, twenty-four miles of 115KV transmission line were added to the system of those in operation. Approximately 3538 miles of transmission lines were in operation in South Dakota ranging in capacity from 115KV line to a 345KV line. Investor-owned Utilities owned and operated 22% of these lines. The following table provides the breakdown by company:

ELECTRIC TRANSMISSION LINES OPERATING IN SOUTH DAKOTA AS OF JUNE 30, 1981.

	115KV Line* Number of Miles	161KV Line* Number of Miles	230KV* Number of Miles	230KV* Double Circuit Number of Miles	345KV* Number of Miles
Basin Electric Power Company, 1717 East Interstate Ave., Bismarck, ND 58501			14		270
Black Hills Power & Light Company, PO Box 1400, Rapid City, SD 57709	4		154		
Montana-Dakota Utilities, 400 North Fourth Street, Bismarck, ND 58501	85		40		
Nebraska Public Power Company, 1414 15th Street, Columbus, NE 68601	40				
Northern States Power Company, 414 Nicollet Mall, Minneapolis, MN 55401	130	11			
Northwestern Public Service Company, 400 Northwestern Natl. Bank Bldg., Huron, SD 57350	293		25		
Ottertail Power Company, 215 South Cascade Street, Fergus Falls, MN 56537	12		16		
Western Area Power Admin., PO Box EGY, Billings, MT 59101	1260		369	605	210

*Approximate Values

Pipelines bring natural gas and petroleum products to South Dakota. There are 949 miles of natural gas pipelines and 554 miles of petroleum product pipelines in operation in South Dakota.

PIPELINES OPERATING IN SOUTH DAKOTA DURING FY79-81

Company	Route Miles	Location
NATURAL GAS:		
Montana-Dakota Utilities	299	From the junction of the North Dakota, South Dakota and Montana Borders southward to Rapid City connecting the cities of Spearfish, Lead, Deadwood and Sturgis.
Northern Natural Gas	650	From the Nebraska-South Dakota border near Ponca, Nebraska northward to Sioux Falls, then westward to Aberdeen with connections to the cities of Brookings, Watertown, Huron, Mitchell, and Yankton and additional connections to smaller towns along this route.
PETROLEUM PRODUCTS:		
Knaeb Pipeline Company	314	From East of Yankton to north of Fredrick, South Dakota
Mobile Oil Corporation	35	From near Alcester to Sioux Falls, South Dakota
Wyco Pipeline Company	95	From the southwest corner of South Dakota to Rapid City
Williams Pipeline Company	110	From southwest of Clear Lake to Watertown and from east of Dell Rapids to Sioux Falls.

The forty-nine energy conversion facilities operating in South Dakota have a generating capacity of approximately 2452 megawatts of electricity. Investor-owned utilities own and operate facilities in South Dakota with a generating capacity of approximately 809 megawatts. Sixty percent of the total megawatt generating capacity is owned and operated by the United States Corps of Engineers on the Missouri River dam system.

Between December, 1979 and December, 1981 Northwestern Public Service Company retired plants with a generating capacity of 19.4 MW, Northern States Power Company retired 1.8 MW of power and Ottertail Power Company retired 1.2 MW of power. Black Hills Power and Light Company brought on line the Ben French, a gas turbine generating facility with a capacity of 100 MW in 1979. The Spirit Mound plant, with a generating capacity of 120 megawatts, was brought on line in 1979 by Basin Electric Power Cooperative, Inc. near Vermillion.

ENERGY CONVERSION FACILITIES IN SOUTH DAKOTA
FOR PERIOD FY 1979-1981

Company	Plant Name	Location	Generation Capacity (MW)	Status	Date
OTP-NWPS-MDU	Big Stone	Big Stone City	437	Existing	1975
OTP	Lake Preston #1	Lake Preston	28.8	Existing	1978
OTP	Britton	Britton	1.0	Existing	1948
OTP	Lake Preston	Lake Preston	2.0	Existing	1941
OTP	Sisseton	Sisseton	1.2	Removed	Dec 1981
OTP	Waubay	Waubay	0.6	Existing	1948
MDU	Mobridge	Mobridge	3.4	Existing	1947
BHP&L	Kirk	Lead	33.75	Existing	1961
BHP&L	Ben French #1	Rapid City	25	Existing	1961
BHP&L	Ben Fr Diesel	Rapid City	10	Existing	1965
BHP&L	Ben French Gas Turbine	Rapid City	100	Existing	1979
NSP	Pathfinder	Sioux Falls	75	Existing	1969
NSP	Salem	Salem	1.8	Retired	Jun 1981
NWPS	Huron	Huron	12.5	Existing	1961
NWPS	Yankton-New	Yankton	11.5	Existing	1975
NWPS	Aberdeen	Aberdeen	22.6	Existing	1978
NWPS	Armour	Armour	4.6	Existing	1936
NWPS	Chamberlain	Chamberlain	7.2	Existing	1948
NWPS	Clark	Clark	2.75	Existing	1970
NWPS	Faulkton	Faulkton	2.75	Existing	1969
NWPS	Highmore	Highmore	2.0	Existing	1948
NWPS	Redfield	Redfield	4.1	Existing	1962
NWPS	Webster	Webster	2.8	Existing	1931
NWPS	Woonsocket	Woonsocket	1.3	Retired	Dec 1981
NWPS	Yankton-Old	Yankton	7.6	Retired	Jul 1980
NWPS	Mobile Unit	N/A	0.5	Existing	1955
NWPS	Mitchell	Mitchell	7.5	Retired	Dec 1979
Arlington Mun Light & Pwr	Arlington	Arlington	1.0	Existing	1949
Basin Electric Pwr Cooperative Inc	Spirit Mound	Vermillion	120	Existing	1979
Bryant Light & Pwr Plant	Bryant	Bryant	1.0	Existing	1951
Elk Point Mun Light Plant	Elk Point	Elk Point	4.0	Existing	1946
Estelline Mun Light & Pwr	Estelline	Estelline	4.0	Existing	1950

ENERGY CONVERSION FACILITIES IN SOUTH DAKOTA (Continued)

Faith Wtr Light & Pwr Plt	Faith	Faith	3.0	Existing	1959
Flandreau Mun Light & Power Plant	Flandreau	Flandreau	4.0	Existing	
City of Howard	Howard	Howard	2.0	Existing	1944
City of Madison Electric Processing System	Madison	Madison	7.0	Existing	1947
Onida Mun Light & Pwr Sys	Onida	Onida	0.5	Existing	1949
Parker Mun Light Plant	Parker	Parker	2.0	Existing	1947
Rosebud Elec Coop, Inc	Gregory	Gregory	1.0	Existing	1949
Tyndall Light & Water Plt	Tyndall	Tyndall	3.0	Existing	1949
City of Vermillion	Vermillion	Vermillion	4.0	Existing	1947
Wessington Springs Mun Electric & Light	Wess Springs	Wess Springs	3.0	Existing	1954
Winner Mun Utilities	Winner	Winner	2.0	Existing	1947
Don Jones	White River	White River	2.0	Existing	1924
US Corps of Eng (USCE)	Fort Randall	Pikstown	320	Existing	1956
US Corps of Eng (USCE)	Oahe	Pierre	595	Existing	1963
US Army Eng	Big Bend	Fort Thompson	464	Existing	1966
US Army Eng	Gavins Point	Yankton	100	Existing	1957

The number of kilowatt hours sold to customers in South Dakota by investor-owned utilities increased by 11.1 million KWH from calendar year 1979 to 1981. The average total number of customers of investor-owned utilities increased by 3,199 customers from 1979 to 1981 while the average monthly KWH usage per customer for all IOU's decreased from 1,236 KWH to 1,206 for the same period.

ELECTRIC CONSUMPTION STATISTICS FOR
SOUTH DAKOTA CUSTOMERS

	Average Number of Customers	KWH Sold 12 Month Period	Avg Monthly KWH Per Customer
1979			
BHP&L	42,431	793,776,897	1,559
IPS	2,064	27,668,812	1,117
MDU	8,918	110,060,665	1,028
NSP	46,625	699,733,420	1,251
NWPS	51,626	728,375,641	1,176
OTP	11,215	172,969,813	1,283
1980			
BHP&L	42,941	806,625,104	1,565
IPS	2,087	27,787,249	1,110
MDU	8,922	106,683,320	996
NSP	47,521	716,030,541	1,256
NWPS	52,003	717,083,115	1,149
OTP	11,243	168,894,602	1,252
1981			
BHP&L	43,201	797,382,666	1,538
IPS	2,087	26,935,911	1,076
MDU	8,887	103,941,000	975
NSP	48,186	709,778,000	1,227
NWPS	52,334	706,202,000	1,125
OTP	11,383	177,225,000	1,297

LEGAL SECTION

The Legal Division is staffed with two Assistant Attorney Generals who provide legal advice to the Commission and staff members on all matters before the Commission. During FY82 the Commission provided for the cost of salaries and benefits of these FTE's. Previous to this time such positions were funded in the Attorney General's budget.

The Legal Division prepares recommended reports and orders, drafts many of the final orders and decisions and prepares opinions and memoranda on legal questions before the Commission which require research in addition to representing the staff case in contested rate proceedings.

	Commission Orders Issued		
	FY80	FY81	FY82
Telephone & Telegraph	29	18	39
Pipeline & Transmission	4	15	18
Electric	32	56	25
Gas	16	22	20
Transportation	92	40	196
Miscellaneous	22	16	34
TOTAL	195	167	332

The Legal Division provides the Commission with legal representation in state and federal courts in all litigation affecting the Commission. The following are decisions of the Commission that have been appealed to the court system and their determinations.

Rate Case Proceedings

F-3052 Otter Tail Power Company Electric Rate Increase.

Application filed by Otter Tail Power Company for an increase in retail electric rates in South Dakota. The Commission's Decision and Order setting just and reasonable rates was appealed to the Circuit Court, Sixth Judicial Circuit of the State of South Dakota. The Circuit Court affirmed in part and reversed in part the Commission's Decision and Order. The Commission appealed to the South Dakota Supreme Court. The Supreme Court affirmed the Commission's decision on allocation of transmission plant, CWIP and power pool sales. The disallowance of inflation factors was reversed by the Supreme Court in their 4/16/80 opinion.

F-3055 Northwestern Public Service Company Electric Rate Increase.

Application filed by NWPS for an increase in retail electric rates. The Commission Decision and Order was appealed to the Sixth Judicial Circuit Court of the State of South Dakota. The Circuit Court affirmed the Commission in its entirety. NWPS appealed the decision to the South Dakota Supreme Court. The Supreme Court in its 10-15-80 decision upheld the PUC on CWIP, negative working capital, AFUDC and ad valorem taxes on CWIP and reversed the Commission's decision in respect to the adjustment made for power supply and the payroll and pension adjustment.

F-3164 Otter Tail Power Company Electric Rate Increase.

Application filed by Otter Tail Power Company to increase its retail electric rates in South Dakota. Otter Tail Power appealed the Commission Decision and Order to the Sixth Judicial Circuit Court of the State of South Dakota. The appeal was dismissed following the Supreme Court decision in Docket F-3052.

F-3286 Otter Tail Power Company Electric Rate Increase.

Application filed by Otter Tail Power Company to increase its retail electric rates in South Dakota. Otter Tail Power appealed the Commission Decision and Order to the Sixth Judicial Circuit Court of the State of South Dakota. The appeal was dismissed following the Supreme Court decision in Docket F-3052.

F-3353 Northern States Power Company Electric Rate Increase.

Application filed by Northern States Power Company for an increase in retail electric rates for South Dakota customers. Northern States Power Company appealed the Tyrone issue to the Sixth Circuit Court of the State of South Dakota. The Circuit Court reversed the Commission's decision. The Commission appealed the Circuit Court decision to the South Dakota Supreme Court. Oral arguments are pending in this docket.

F-3382 Northern States Power Company Electric Rate Increase.

Application filed by Northern States Power Company for an electric rate increase. NSP appealed the Commission's Decision and Order to the Sixth Circuit Court of the State of South Dakota. Briefs have been filed and oral arguments set for July 27, 1982.

F-3375 Northwestern Bell Telephone Company Rate Increase.

Application filed by Northwestern Bell Telephone Company for a telephone rate increase. NWB appealed the Commission's Order and Decision to the Sixth Circuit Court. NWB petitioned for appeal of interlocutory in the Circuit Court. The Circuit Court denied the interlocutory. NWB petitioned for the Allowance of Appeal of the interlocutory to the South Dakota Supreme Court. The Supreme Court denied the petition for Allowance of Appeal. The original appeal of the Commission's Order is pending decision in the Circuit Court.

F-3375 Northwestern Bell Telephone Company Rate Increase.

Application filed by Northwestern Bell Telephone Company for an interim rate increase pending the Commission's Final Decision and Order in this Docket. The Commission denied the interim rate increase. NWB appealed the Commission's decision to the Sixth Circuit Court which upheld the Commission's decision. NWB appealed the Circuit Court decision to the South Dakota Supreme Court. The decision is pending.

Miscellaneous Proceedings

F-3111 Establishment of Territorial Electric Boundaries in the Aberdeen City Vicinity.

Dispute between Northwestern Public Service Company and Northern Electric Cooperative regarding assignment of service territories.

The Commission's Decision and Order was appealed to the Sixth Circuit Court and the South Dakota Supreme Court. The Supreme Court's 3/30/82 decision affirmed the PUC on all issues.

F-3155 Application by City of White, South Dakota for Certification of its Municipal Territorial Boundaries.

Application filed by City of White for a declaratory ruling by the Public Utilities Commission relating to its proposed municipal electric system. The Commission's Order and Decision certifying City of White's municipal system was appealed by Otter Tail Power Company to the Sixth Circuit Court. The Circuit Court affirmed the Commission in its entirety and the Circuit Court's decision was appealed by Otter Tail Power Company to the South Dakota Supreme Court. The Supreme Court reversed the PUC decision on four issues: PUC does not have authority to determine the amount of compensation due a utility when a municipality constructs and operates an electric utility in an existing service territory of another utility. (July 9, 1980)

F-3292 Application for Declaratory Ruling filed by Clay-Union Electric Regarding New Customer.

Clay-Union Electric petitioned the Commission for a declaratory ruling regarding a new customer in Yankton, South Dakota. Northwestern Public Service Company intervened and disputed the assignment. The Commission found that Clay-Union's application should be granted upon terms and conditions. Northwestern Public Service Company appealed the Commission's Decision and Order to the Sixth Circuit Court. The Circuit Court reversed the Commission's determinations. Clay-Union Electric Cooperative, Inc. appealed the Circuit Court Ruling to the South Dakota Supreme Court. In its 12/30/80 decision, the Supreme Court reversed the PUC decision as to assignment of electric territories to large new industrial customer.

F-3303 Investigation of Countryside Mobile Estates Gas Rates

Upon complaint by tenants, the Commission ordered Commission staff to investigate the gas rates charged by Countryside Mobile Estates. The Commission entered its Decision and Order requiring that Countryside Mobile Estates charge only those rates which collectively equal the charges that Countryside Mobile Estates receives from Montana-Dakota Utilities Company. The docket was appealed by Countryside Mobile Estates to the Sixth Circuit Court which reversed the PUC decision which stated that master-metered gas service to a trailer court which is resold to tenants by a trailer court owner does not make the owner a public utility under the Commission's jurisdiction.

F-3349 Northern States Power Application for a Construction Permit for two 345KV Transmission Lines from Western Area Power Administration 345KV transmission lines to the Split Rock Substation.

Application by Northern States Power Company to construct an electric transmission line. The Commission's Order and Decision was appealed by NSP to the Second Circuit Court, Minnehaha County. The Circuit Court affirmed the PUC decision on all issues.

F-3371 Nebraska Public Power District for a permit to construct and operate the Proposed MANDAN 500KV Transmission Facility.

An application by Nebraska Public Power District to construct an electric transmission line. The Commission entered its Order and Decision of 1/14/82. Briefs and oral arguments have commenced and a decision is pending in the Circuit Court.

F-3338 Consideration of Lifeline Rates by Black Hills Power and Light Company, Iowa Public Service Company, Montana-Dakota Utilities, Northwestern Public Service Company and Otter Tail Power Company.

The Commission's Order in this matter was stayed pending appeal. The Public Utilities Commission requested the remand of the decision back to the Commission which was granted.

Transportation Proceedings

20651-B Motor Carrier Application of Don Ward.

Stipulation for dismissal signed by both parties in the Seventh Circuit Court, Pennington County. Order pending to grant dismissal by Court.

12594, 12602 Motor Carrier Application by Jackrabbit Bus Lines.

The Supreme Court of the State of South Dakota affirmed the Public Utilities Commission decision.

22862-B Motor Carrier Application by Leo's Bus Service.

Appeal of the Commission Decision and Order filed in the Sixth Circuit Court. Brief schedule is pending in the Circuit Court.

Legal representation has been utilized at the federal level in proceedings before the Federal Energy Regulatory Commission (FERC) and in the United States Court of Appeals. This type of legal representation was done primarily by outside consultants until March of 1982. At the present time, the representation has been limited and is performed by in-house legal counsel.

The following is a summation of those proceedings which involved the South Dakota Commission from FY80-82.

South Dakota PUC v. FERC, Northern Natural Gas, et al. Intervenors, FERC Docket Nos. RP76-89; RP 77-56; and 8th Circuit Court of Appeals of the United States No. 79-2020.

Issue of the appropriate depreciation rate in Northern Natural Gas Company general rate cases. The South Dakota PUC appealed the FERC orders on the higher depreciation rate. The court reversed the FERC issue of depreciation rates and the Court ordered refunds of $23 million to Northern Natural Gas customers system-wide.

Northern Natural Gas Company, FERC Docket RP80-88.

General Rate increase of $163 million by Northern Natural Gas.

National Area Rate Cases FERC Docket Nos. 79-1602 and GP80-43 and other related dockets.

Seek discovery against Northern Natural Gas to discover if there is any basis for unilateral increases awarded on existing gas contracts.

United States Court of Appeals - Fifth Circuit - FERC RM79-22.

Intervention to support AGD group, a gas distribution group seeking review of FERC Orders raising producer prices.

Northwest Alaskan Pipe Company, Northern Border Pipeline Company FERC Docket Nos. EP78-123, et. al.

Objection entered for lack of protection for customers in rate proceedings if the line did not meet projected sales. Settled the issue with Northern to use projected sales as the minimum basis for ascertaining costs in future rate proceedings. FERC approved construction of the proposed line.

Northern Natural Gas Company FERC Docket No. CP78-237.

The FERC dismissed Northern's application to import 10 BCF from Canada in light of ERA's decision to reject because of excessive border price.

Northern Natural Gas Company FERC Docket No. CP80-135.

Northern sought to increase firm winter service. Portion of increased service granted but not all. Decision granted at FERC meeting.

Northern Natural Gas Company FERC Docket No. CP80-22.

The FERC ordered Northern to show that any surcharge it passed through because of these imports was not inconsistent with incremental pricing requirements.

Northern States Power Company FERC Docket No. ER79-616 SDPUC v. FERC U.S. 8th Circuit Court of Appeals.

FERC decision to pass NSP's cancellation costs of the Tyrone Nuclear Plant to the customers in South Dakota, North Dakota and Minnesota. Issue of whether FERC's decision is binding on the South Dakota Commission in its retail rate proceeding.

Northern Natural Gas Company FERC Docket RP81-52.

Northern Natural Gas requested a $176 million general rate increase. The case was ultimately settled for an approximate increase of $40 million.

PURPA DIVISION

In November of 1978, the United States Congress enacted the Public Utilities Regulatory Policy Act (PURPA). In anticipation of further conservation of energy, efficient use of utility facilities and to ensure equitable rates; the State Public Utility Commissions were required to review certain rate making regulatory guidelines.

The Act requires that State Commissions, after hearings, must adopt certain standards or qualify why the standard is not appropriate for adoption in that state. The South Dakota Commission was awarded two grants in the amounts of $200,000 and $182,665 to provide the costs associated with the studying and implementation of PURPA standards. The Commission has adopted in principle the six ratemaking standards in Section 111 of PURPA which are:

Fixing of rates based on cost to serve each customer class;
Elimination of declining block rates;
Fixing of rates based on time of use;
Fixing of Seasonal rates;
Fixing of interruptible rates; and
Implementaiton of load management techniques.

The Commission has reserved the right to analyze each company on a case by case basis as to how the standards affect that particular company. Section 113 and 303 of PURPA require consideration of the following regulatory standards:

Prohibition of master metering for new buildings;
Adoption of automatic fuel adjustment clause promoting efficient use of fuel by utilities;
Provide information to the consumer with respect to rate schedules;
Develop reasonable procedures for the termination of utility service; and
Prohibit promotional or political advertising at the consumer's expense.

The Commission has adopted regulations pertaining to each of these standards. South Dakota law requires that the Commission allow automatic flow through of fuel costs.

Section 114 of PURPA requires evidentiary hearings on lifeline rates. The Commission has held hearings and has denied lifeline rates based on a lack of statutory authority to grant such rates.

Section 210 of PURPA requires electric utilities to purchase electricity from cogenerators and small power producers. The purpose of this section is to encourage development of alternative sources of energy. The Commission has adopted guidelines for the utilities to develop rates and will soon implement appropriate regulations for power purchased from cogenerators and small producers.

Master Metering: SD PUC Docket F-3227: Decision prohibited master metered gas and electric service to new multiple occupancy buildings. Residential multiple occupancy buildings of two units, one of which is occupied by the owner were exempted. Hospitals, dormitories, nursing homes and other residential facilities of a purely transient nature were also exempted. Existing master metered multiple occupancy buildings should be exempt unless substantially remodeled after the date of the order. If the multiple occupancy building constructed is owned or operated with funds appropriated through the Department of Housing and Urban development or any other state or government agency, it is exempt if the regulations promulgated by said department or agency are inconsistent with the order.

Lifeline Rates: SD PUC Docket #F-3338. Hearings were held and subsequent to those hearings the Commission approved lifeline rates for certain consumers. The decision of the Commission was appealed to the circuit court and the judge indicated that the Commission lacked the statutory authority to grant lifeline rates. The Commission asked that the court remand the decision back to the Commission. The Commission then denied lifeline rates due to the lack of statutory authority.

Automatic Fuel Adjustment Clause - South Dakota
Statutory law requires the Commission to allow direct pass through of fuel costs to the consumers.

Information, Termination of service, and Advertising.
The Commission has promulgated rules and regulations for the dissemination of information, termination of service and advertising by utilities.

Cooperation and Small Power Production SD PUC Docket F-3365
The Commission has ordered that all regulated utilities must file cogeneration and small power production rates in the utilities next rate filing.

Interruptable Rates and Load Management SD PUC Docket F-3366
The Commission ordered that all utilities under their regulation must file interruptable rates. The Commission also required that load management techniques and rates be filed.

SD PUC Docket F-3369
The Commission ordered that Otter Tail Power Company file rates based upon the following standards, which the Commission has adopted. The Commission adopted for Otter Tail Power Company the PURPA cost of service standard, the declining block rate standard, the time of use standard and seasonal rate standard.

SD PUC Docket F-3370
The Commission ordered that Montana Dakota Utilities file rates based upon the PURPA cost of service standard, the declining block rate standard, and the time of use standard. The Commission declined to adopt the seasonal rate standard for Montana Dakota Utilities.

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South Dakota
Public Utilities Commission

1889

Annual Reports
FY83 — FY84

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Public Utilities Commission
State of South Dakota
500 East Capitol
Pierre, South Dakota 57501

Commissioners:
Kenneth Stofferahn
Jeff Solem
Dennis Eisnach

Executive Secretary
Roberta Lovald
(605) 773-3201

January 24, 1985

The Honorable William J. Janklow
Governor of South Dakota
State Capitol Building
Pierre, SD 57501

Dear Governor Janklow:

In conformity with South Dakota Codified Law 49-1-13, the Public Utilities Commission hereby respectfully submits its annual report for the time period Fiscal Year 1983 through Fiscal Year 1984. This report of its activities contains the facts, statements and explanations deemed necessary by the Commission to fully disclose its transactions and conduct during this time period.

Generally, this report conveys the various activities, functions and accomplishments of the South Dakota Public Utilities Commission. It includes, but is not limited to, a complete financial report of receipts and expenditures, including a list of the utilities regulated by the Commission and the total amount of fees and assessments paid by each. It also includes a list of the applications, subject and disposition of each docket number assessed by the Commission.

Sincerely,

Kenneth D. Stofferahn, Chairman
S.D. Public Utilities Commission

KDS:WRS:jld

Enclosure

FORWARD

This report of the activities and accomplishments of the South Dakota Public Utilities Commission contains the facts, statements and explanations deemed necessary by the Commission to fully disclose its transactions and conduct during Fiscal Year 1983 and 1984 biennium.

Created by State Statute, the South Dakota Public Utilities Commission is an independent quasi-judicial regulatory body of three members elected state-wide to six year terms. The jurisdiction, powers and duties of the Commission are delegated to it by the South Dakota Legislature. The Legislature has charged the Commission with the responsibility of regulating the six investor-owned electric companies, four natural gas companies and three telephone companies as well as motor carriers doing business within the State of South Dakota. The Commission is also responsible for the licensing of grain elevators, warehouses and general storage facilities. In addition, the requests for construction of energy conversions or transmission facilities must be reviewed and approved by the Commission before such projects can begin.

The three elected public utilities commissioners administer and supervise all functions of the South Dakota Public Utilities Commission. As a Commission it organizes by selecting a chairman, vice chairman and associate commissioner. A portion of the Commission's mission is to regulate intrastate facilities, services, operations and rates of public utilities companies and common carriers. Its mission also includes registering interstate motor carrier authority thus insuring the public safe, dependable service and just and reasonable rates and charges. The Commission is charged further with the mission of delivering sound decisions to the people of South Dakota in telephone, natural gas and electric utilities and trucking, busing, public warehouse, grain elevator, warehouse and grain dealer's industries within the State of South Dakota.

HISTORY OF THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

The present day South Dakota Public Utilities Commission traces its historical roots to 1885 when the Dakota Territorial Legislature established the Board of Railroad Commissioners for the regulation of service and facilities of rail carriers. This territorial statute was amended by the first South Dakota State Legislature in its 1889 session. This amendment signficantly increased the duties and powers of this three member board. The Board consisted of three members appointed by the Governor to serve for two years or at the pleasure of the Governor.

In 1890 the Legislature placed the regulation of grain warehouses under the jurisdiction of the Board of Railroad Commissioners. That law as amended through the years is still within the areas of the Commission's current statutory responsibilities.

Then in 1897 the Legislature enacted a new law which made the Board of Railroad Commissioners an elective office with six year terms of office, one Commissioner to be elected each two years. This statute change was apparently intended to encourage a diversity of experience and tenure by the members and to make the Board responsible directly to the people.

In 1907 a law was enacted which created a telephone commission composed of the State Treasurer, State Auditor and a Telephone Commissioner. This Telephone Commissioner was given limited jurisdiction over telephone and telegraph companies. The Telephone Commissioner was to be appointed by the Governor for a period of two years. Then, in the session of 1909, the Legislature repealed this 1907 law which abolished the Telephone Commission at the same time giving jurisdiction over the rates and services of telephone and telegraph companies to the Board of Railroad Commissioners. Along with this transfer of responsibility the Legislature created comprehensive regulatory law which, with some legislative changes through the years, is currently the law relating to rates and service of telephone companies. Then in 1923 the supervision and control of motor carriers was placed under the jurisdiction of the Board of Railroad Commissioners with limited duties and powers. In the 1925 legislative session a comprehensive Motor Carrier Act was enacted under which the supervision or regulation of motor carriers is now conducted. Also during the 1925 legislative session, a law was passed which placed the property (general) storage warehouses under the supervision of the Board of Railroad Commissioners. Prior to this legislative change, that responsibility had been assigned to the Secretary of State.

On July 1, 1939 the name of the Board of Railroad Commissioners was changed by law to the Public Utilities Commission. This name change was reflective of both the evaluation of various responsibilities and the regulatory trends of other states throughout the nation.

In 1975, the Legislature created state law which gave the Public Utilities Commission jurisdiction over the regulation of natural gas and electric utilities. Currently the Commission has regulatory authority over the following four investor-owned natural gas companies: Iowa Public Service, Minnegasco, Montana-Dakota Utilities and Northwestern Public Service. The Commission also currently has regulatory authority over the following six investor-owned electric utility companies: Black Hills Power and Light, Iowa Public Service, Montana-Dakota Utilities, Northern States

Power, Northwestern Public Service and Otter Tail Power. In 1976 the Legislature exempted the Rural Electric Associations from this regulation. Then the 1979 Legislature exempted the Rural Telephone Associations from Public Utilities Commission regulation.

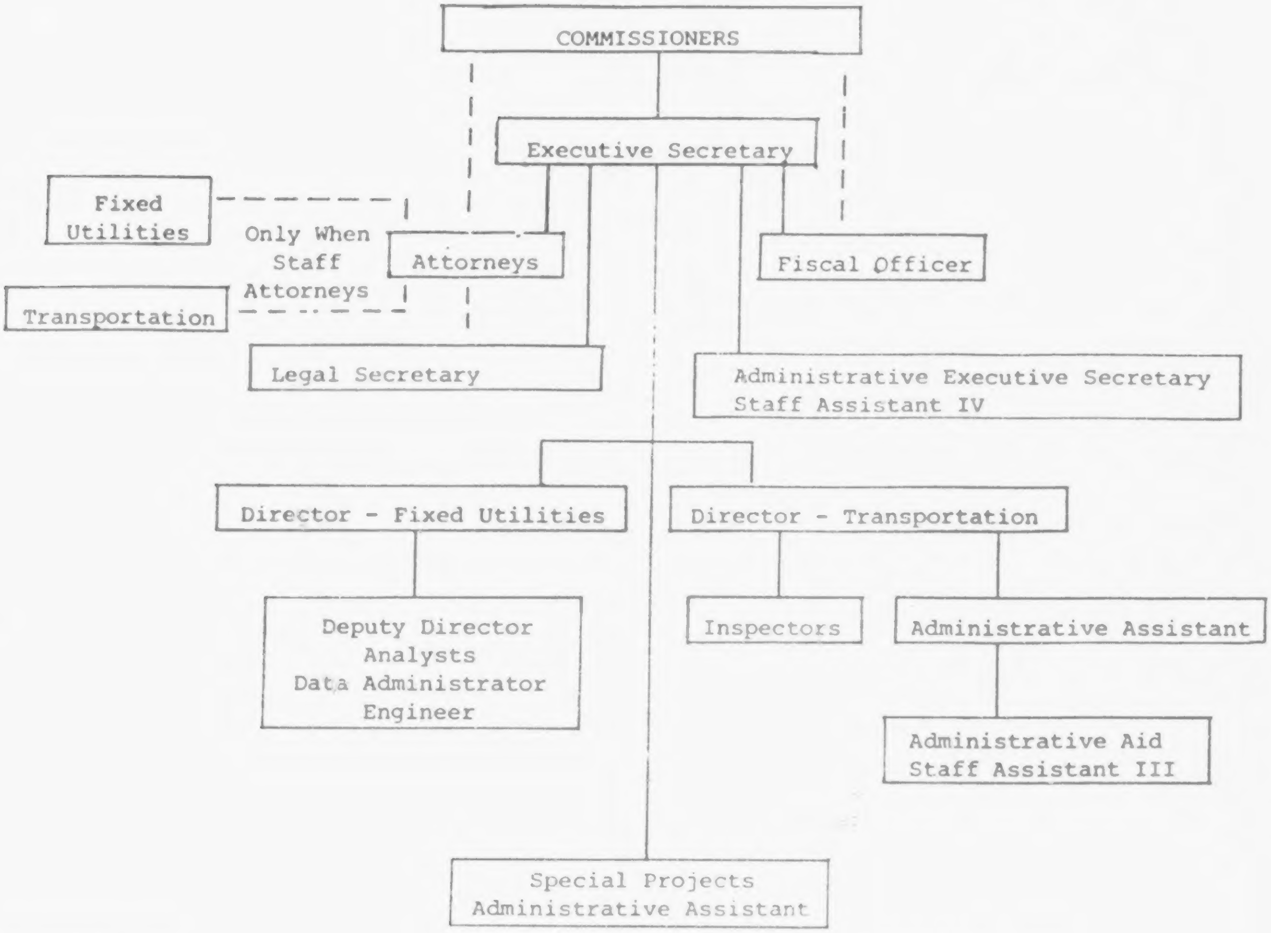
On July 1, 1980 the municipal telephone systems were also removed from Commission regulation. Then on July 1, 1982 the independent telephone companies were removed from Commission rate regulation. The Public Utilities Commission has rate jurisdiction over three telephone companies: Northwestern Bell, Bison State and AT&T Communications Mid West.

On December 29, 1981, President Reagan signed into law the Record Carrier Competition Act of 1981, Public Law 97-130(RCCA). This new federal statute preempted state jurisdiction over record carrier services, thus removing rate regulation of telegraph companies.

The state laws applicable to the Public Utilities Commission are found in Volume 14B, Title 49 of the South Dakota Codified Laws. These laws govern the regulation of motor carriers, telephone and telegraph, public warehouses, public grain warehouses, grain dealers, energy facilities and transmission lines, and investor-owned electric and natural gas companies. From 1974 to the present time the Public Utilities Commission has promulgated rules which cover the above listed utilities.

The Commission functions under direct general fund and other fund appropriations of the South Dakota Legislature but it is charged with the responsibility of collecting certain fees for licenses, permits and charges including special hearing fund assessments in the fixed utilities division. A complete financial report of these fees and funds are included elsewhere in this report.

Adopted June 12, 1984


COMMISSIONERS
Executive Secretary
Fixed Utilities
Only When Staff Attorneys
Transportation
Attorneys
Fiscal Officer
Legal Secretary
Administrative Executive Secretary
Staff Assistant IV
Director - Fixed Utilities
Director - Transportation
Deputy Director
Analysts
Data Administrator
Engineer
Inspectors
Administrative Assistant
Administrative Aid
Staff Assistant III
Special Projects
Administrative Assistant

Commissioners:

Ken Stofferahn, Chairman
Jeff Solem, Vice-Chairman
Dennis Eisnach, Commissioner

Administrative Division:

Roberta Lovald, Executive Secretary
Jody Duffy, Administrative Executive Secretary
Betty Larson, Fiscal Officer
Mary Sieck, Staff Assistant IV

Transportation Division:

Lorrell Larson, Director
Jolene Nelson, Administrative Assistant
Patricia Blackford, Attorney
Margaret Nickels, Administrative Assistant
Velma Otten, Staff Assistant III

Transportation Division Cont.:

Richard Gallup, Inspector
Morris Sandal, Inspector
Lou Hammond, Inspector

Fixed Utilities Division:

Greg Rislov, Director
Steve Kinsella, Deputy Director
Mary Vanderpan, Attorney
David Jarratt, Attorney
Micki Oaks, Legal Secretary
Harlan Best, Telecommunications Director
Martin Bettmann, Staff Engineer
Bob Knadle, Utility Analyst
Dave Jacobson, Utility Analyst
Eugene "Pat" Springer, Data Administrator
Della Andre, Administrative Assistant
William Stevens, Special Projects Director

Brief Biographies of Commissioners

The following brief biographical narratives are for the four individual Commissioners who have served or are serving on the Commission for the time period of Fiscal Years 1983 and 1984:

Charlotte Fischer

Assumed Commissionership January, 1977; term expired January 3, 1983. Republican, born November 20, 1948. Received B.S. Degree in Political Science from the University of South Dakota, Vermillion; additional graduate work toward M.A. Degree; past experience included serving as a Congressional aide to a U.S. Representative, 1973-1976. Elected to serve District 3, the area west of the Missouri River; address is Wall, South Dakota. Served as Chairwoman of the Commission from January of 1981 until January 3, 1983.

Kenneth Stofferahn

Assumed Commissionership January, 1979, first term ended January 7, 1985; re-elected to a second term which ends January 1991. Democrat, born April 5, 1934. Received B.S. Degree in Agriculture from South Dakota State University, Brookings; past experience includes farming; member of West Central Board of Education (President) 1974, 1976-1978; and member of South Dakota House of Representaives, 1974-1976. Elected to serve District 1, which comprises the counties of Lake, Moody, McCook, Minnehaha, Charles Mix, Douglas, Hutchinson, Turner, Lincoln, Bon Homme, Yankton, Clay and Union; address is Pierre, South Dakota. Has served as Chairman of the Commission since January 5, 1983.

Jeff Solem

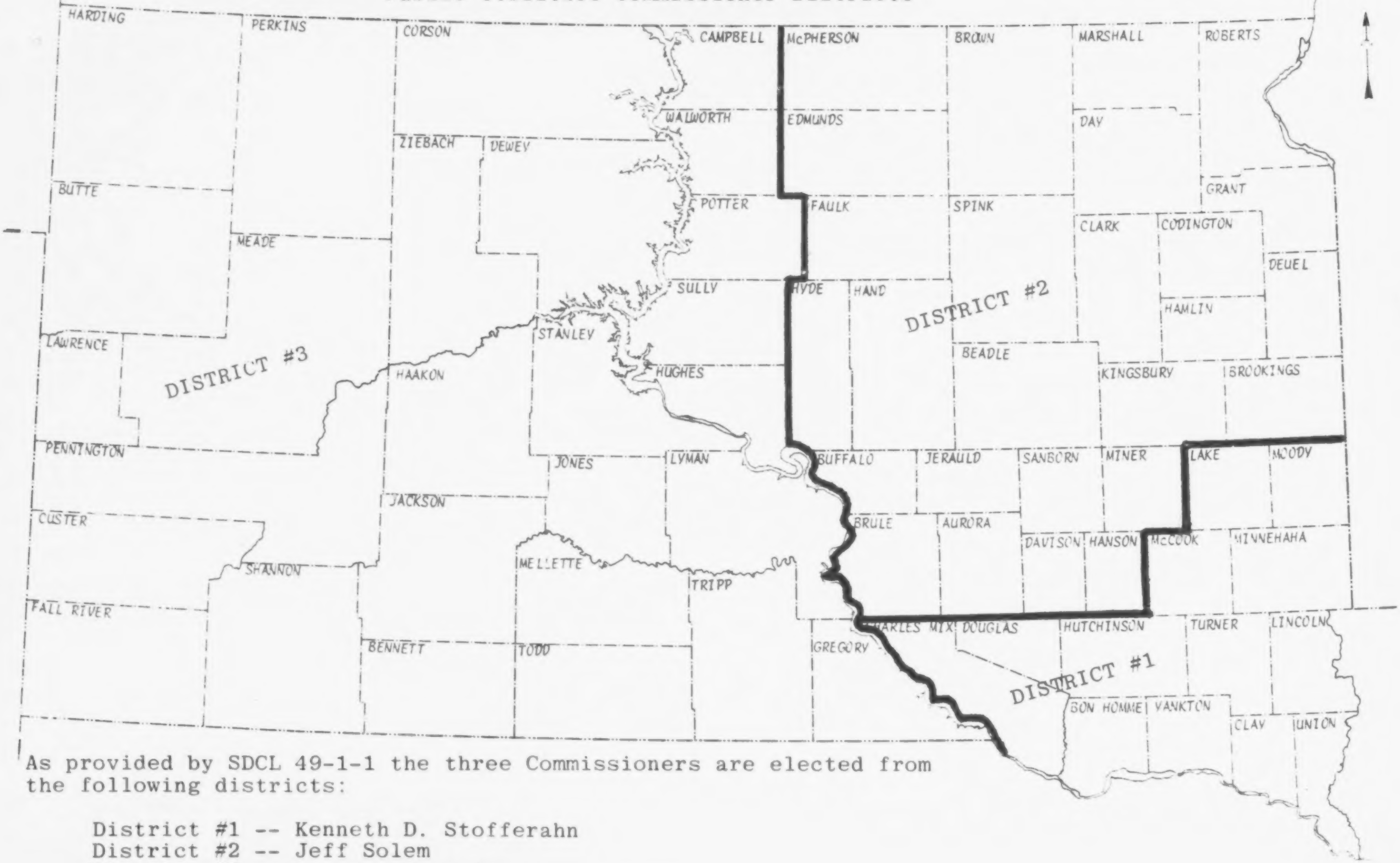
Assumed Commissionership January 2, 1981, term ends January, 1987. Republican, born August 4, 1921. Received B.A. Degree from George Washington University, Washington, D.C.; past experience includes radio - TV station owner and broadcaster twenty-five years and Mayor of the City of Aberdeen, 1972-1980. Elected to serve District 2, which comprises the counties of McPherson, Edmunds, Brown, Marshall, Day, Roberts, Grant, Faulk, Spink, Clark, Codington, Hamlin, Deuel, Hyde, Hand, Beadle, Kingsbury, Brookings, Buffalo, Brule, Jerauld, Aurora, Sanborn, Davison, Miner and Hanson; address is Pierre, South Dakota. Has served as Vice Chairman of the Commission since January 1983.

Dennis Eisnach

Assumed Commissionership January 4, 1983, term ends January, 1989. Democrat, born January 2, 1936. Attended South Dakota School of Mines and Technology, Rapid City, and the University of South Dakota, Vermillion; past experience includes South Dakota Highway Patrol, 1960-1980 - Superintendent, 1974-1980. Elected to serve District 3, which comprises the counties of Harding, Perkins, Corson, Campbell, Butte, Meade, Ziebach, Dewey, Walworth, Potter, Sully, Hughes, Lawrence, Pennington, Haakon, Stanley, Jones, Lyman, Custer, Fall River, Shannon, Jackson, Bennett, Mellette, Todd, Tripp and Gregory. Address is Pierre, South Dakota.

SOUTH DAKOTA

Public Utilities Commissioner Districts


HARDING
PERKINS
CORSON
CAMPBELL
McPHERSON
BROWN
MARSHALL
ROBERTS
WALWORTH
EDMUNDS
DAY
ZIEBACH
DEWEY
BUTTE
GRANT
POTTER
FAULK
SPINK
CLARK
CODINGTON
MEADE
DEUEL
SULLY
HYDE
HAND
DISTRICT #2
HAMLIN
LAWRENCE
STANLEY
DISTRICT #3
BEADLE
HAAKON
HUGHES
KINGSBURY
BROOKINGS
PENNINGTON
JONES
LYMAN
BUFFALO
JERAULD
SANBORN
MINER
LAKE
MOODY
JACKSON
CUSTER
BRULE
AURORA
DAVISON
HANSON
McCOOK
MINNEHAHA
SHANNON
MELLETTE
TRIPP
FALL RIVER
CHARLES MIX
DOUGLAS
HUTCHINSON
TURNER
LINCOLN
BENNETT
TODD
GREGORY
DISTRICT #1
BON HOMME
YANKTON
CLAY
UNION

As provided by SDCL 49-1-1 the three Commissioners are elected from the following districts:

District #1 -- Kenneth D. Stofferahn
District #2 -- Jeff Solem
District #3 -- Dennis Eisnach

ADMINISTRATIVE DIVISION

The Administrative Division of the Public Utilities Commission has the general responsibility over the administrative and technical operations. The Executive Secretary coordinates the various staff activities of this division, arranges hearings and conferences, and is responsible for the implementation of Commission policies.

At the direction of the Executive Secretary, Commission staff members prepare legislative proposals and actions which have been recommended by the Commission. During the 1982, 1983 and 1984 Legislative Sessions, the State Legislature has enacted the following changes in Title 49 of the South Dakota Codified Laws:

Statutory Changes

Effective February 23, 1982 (1982 Legislative Session)

- Senate Bill No. 30 (SDCL 49-1-1) reapportioned the three Public Utilities Commissioner districts.

Effective July 1, 1982 (1982 Session)

- Senate Bill No. 167 (SDCL 49-1A-3) increased the intrastate gross receipts tax from .001% to .0015% on regulated telephone companies, natural gas companies and electric companies (contained a suicide clause of July 1, 1983).

- House Bill No. 1305 (SDCL 49-1A-8) increased the deposit required from fifty thousand to seventy-five thousand dollars ($50,000 to $75,000) with each rate increase application filed by a regulated natural gas, electric or telephone company; however, the requirement remains that if such proposed rate increase will not generate additional revenue in an amount in excess of five hundred thousand dollars ($500,000) during a period of one year following the date when the rate goes into effect, the deposit need not be made.

- House Bill No. 1173 (SDCL 49-10-27) removed the preference given to the common carrier in telephone company rate case hearings and placing the burden of proof on the common carrier to show that the increased rate or proposed rate is reasonable.

- House Bill No. 1311 (SDCL 49-28-15.1) added a new section to this chapter which clarified the procedure by which motor carrier permits for buses are issued by the Commission.

- Senate Bill No. 110 (SDCL 49-31-1 & 5.1) created a new definition of independent telephone company and provided for the return of an independent telephone company (Bison State Telephone Co.) to rate regulation under the Commission.

- House Bill No. 1249 (SDCL 49-34A-19) changed state law to require the Commission to consider income and expense of natural gas and electric utility companies for two years when considering rate requests.

- Senate Bill No. 185 (SDCL 49-41B-22.1) provided a procedure for reapplications for energy transmission facilities or pipeline permits with the Commission.

Effective February 17, 1983

- House Bill No. 1047 (SDCL 49-1-8.2) amended and clarified the duties and qualifications of the Commission's Executive Secretary.

Effective July 1, 1983 (1983 Session)

- House Bill No. 1368 (SDCL 49-3-15 & 29; SDCL 49-10-19; SDCL 49-31-11 & 38; SDCL 49-34-14; SDCL 49-42-17; SDCL 49-43-26; and SDCL 49-45-5) provided for civil fines for violations of the public utilities regulated by the Commission.

- Senate Bill No. 38 (SDCL 49-1-19) required appeals from decisions and orders of the Commission to be conducted in the manner prescribed by the administrative procedures act.

- House Bill No. 1050 (SDCL 49-1A-5) changed the due date for regulated investor-owned utility companies to transmit the annual gross receipts tax to July first of each year following the filing of the report of such gross receipts.

- Senate Bill No. 124 (SDCL 49-28-33, 65 & 66) transferred certain regulatory administrative functions relating to motor carriers from the Commission's transportation division to the Department of Public Safety. This act eliminated the arrest authority of the Commission's Motor Carrier Inspectors. This act also apparently inadvertantly transferred the entire motor carrier rulemaking authority to the Department of Public Safety. (*Note that this rulemaking authority was "recaptured" through the passage in the 1984 Legislative Session of Senate Bill No. 74.)

- Senate Bill No. 34 (SDCL 49-28-2(5)) excluded motor vehicles used exclusively within a municipality from motor carrier regulation.

- Senate Bill No. 32 (SDCL 49-28-2(8)) excluded motor vehicles used to deliver mail from motor carrier regulation.

- Senate Bill No. 37 (SDCL 49-28-12) revised the notice requirements for hearings on motor carrier applications.

- House Bill No. 1035 (SDCL 49-28-14) modified the procedure by which motor carrier permits are issued by the Commission for class A or class B carriers.

- Senate Bill No. 36 (SDCL 49-28-36.5) increased the annual identification fee from four dollars ($4) to five dollars ($5) for motor carriers operating in interstate movement within South Dakota.

- House Bill No. 1044 (SDCL 49-34A-72) provided for a procedure to reimburse the Commission for certain litigation expenses when the Commission has intervened or otherwise participated in a rate, certificate or related proceeding before a federal agency which results in a refund in wholesale rates to a public utility serving customers in South Dakota.

- Senate Bill No. 128 (SDCL 49-41B-2) revised the definition of a "transmission facility to clarify the "one mile" requirement.

- House Bill No. 1315 (SDCL 49-41B-4) clarified the law which states that water transmission facilities do not require a Commission permit if the state Water Management Board has issued a permit to appropriate water.

- House Bill No. 1004 (SDCL 49-41B-4.8) provided that transmission facilities may survey proposed routes notwithstanding the prohibition against obtaining easements and it extended the time within which this would be allowed.

- Senate Bill No. 33 (SDCL 49-42-7) increased the annual license fee from five dollars ($5) to fifteen dollars ($15) for public grain warehouses receiving, storing or handling grain and seeds.

- Senate Bill No. 35 (SDCL 49-45-2) required grain dealers to purchase a decal from the Commission and to display it on grain trucks.

Effective July 1, 1984 (1984 Session)

- House Bill No. 1114 (SDCL 49-13-7, SDCL 49-28-12 and SDCL 49-28-67) clarified certain commission motor carrier hearing procedures.

- Senate Bill No. 74 (SDCL 49-28-33) authorized the Commission to adopt administrative rules to regulate motor carriers in certain specific areas. The result of this specific legislative authorization allowed the Commission to correct a previous oversight which, in Senate Bill No. 124 of the 1983 session, transferred the motor carrier rulemaking authority from the Commission to the Department of Public Safety. This allowed the Commission to recapture its lost rules authority.

- Senate Bill No. 82 (SDCL 49-45-4) exempted certain residents and nonresidents from grain dealer licensing requirements.

- Senate Bill No. 81 (SDCL 3-6A-13(1)) added the Commission to the listing of those elected official's offices whose staffs are exempt from the Career Service Personnel Management System. This act excluded currently nonexempt Commission employees from the carrier service. A portion of the staff was already exempt from Career Service.

Financial Reports

The Administrative Division has the responsibility of compiling all of the Commission's fiscal information used in the budgeting and accounting functions. The financial reports of expenditures and revenues in the various program budgets follow.

The Statement of General Fund Revenue represents the collection of general fund revenue receipted by the issuance of licenses and permits in the Transportation Division. Revenue collected from these sources is remitted to the State General Fund.

Statement of General Fund Revenue

	FY-83	FY-84
ICC or ICC Registration	$ 44,250.00	$ 49,450.00
MC-A Permit	660.00	200.00
MC-B Permit	9,990.00	8,900.00
MC-C Permit	940.00	1,900.00
Permit Transfers	5,100.00	5,100.00
Non Storage and Federal Storage Licenses	170.00	392.50
Grain Elevator Licenses	4,377.50	7,255.00
Grain Storage Certificates	710.00	0.00
General Warehouse Certificates	220.00	245.00
Decals	728.00	1,428.00
Grain Buyers Licenses	5,670.00	5,145.00
Identification Stamps	582,416.50	788,162.00
Cab Cards	1,043.40	550.00
Reimbursements	0.00	66.98
Grain Terminal Weighmaster	5.00	5.00
Total	$656,130.40	$868,799.48

The Special Hearing Fund Revenue listed in the following report for state fiscal years 1983 and 1984 shows the amount of the annual intrastate gross receipts tax paid by each Commission-regulated natural gas, electric and telephone company in South Dakota. This annual intrastate gross receipts tax, levied on the following listed companies, is authorized by SDCL 49-1A-3 and provides funding for the Commission's Division of Fixed Utilities. This funding source appears as other funds in the fixed utilities division.

Special Hearing Fund Revenue

	FY-83	FY-84
Bison State Telephone Company	$ 3,796.21	$3,950.83
Black Hills Power And Light Company	60,128.64	69,632.33
Northern States Power Company	45,109.16	54,955.96
Iowa Public Service	10,872.00	14,975.56
Minnegasco	40,080.74	57,556.81
Northwestern Bell Telephone Company	132,447.97	145,374.12
Otter Tail Power Company	12,880.38	16,138.43
Northwestern Public Service Company	105,138.27	130,069.00
Montana Dakota Utilities	41,082.85	51,587.89
Reimbursements	0.00	3.99
Penalties	0.00	2,877.84
Total	$451,536.22	$547,122.76

Budget, Expenditures, Encumbrances and Reversions for the Year ending June 30, 1983

Program	Budget at Beginning of Period	Budget at end of Period	Expenditure by Fund General	Dedicated	Total Expenditures	Encumbrances and Carry-overs	Reversions
01- Administration							
Personal Services	$187,236.60	$187,236.60	$186,319.99		$186.319.99		
Operating Expenses	25,771.40	25,771.40	25,444.98		25,444.98		
Total Program	$213,008.00	$213,008.00	$211,764.97		$211,764.97		$ 1,243.03
02- Transportation							
Personal Services	$143,339.80	$143,339.80	$143,240.89		$143,240.89		
Operating Expenses	89,365.67	89,365.67	88,226.49		88,226.49	$ 185.00	
Total Program	$232,705.47	$232,705.47	$231,467.38		$231,467.38	$ 185.00	$ 1,053.09
03- Fixed Utilities							
Personal Services	$309,115.64	$309,115.64			$212,553.61		
Operating Expenses	140,509.96	140,509.96			133,985.41	$4,000.00	
Total Program	$449,625.60	$449,625.60			$346,539.02	$4,000.00	$99,086.58
04- Non-Appropriated Filing Fees							
Operating Expenses	$318,922.31	$318,922.31		$317,204.25	$317,204.25		
Total Program	$318,922.31	$318,922.31		$317,204.25	$317,204.25		$ 1,718.06
TOTAL ALL PROGRAMS	$1,214,261.38	$1,214,261.38	$443,232.35	$317,204.25	$1,106,975.62	$4,185.00	$103,100.76

[The two financial statements which appear on this page and the next page show the budget, expenditures, encumbrances and reversions for the fiscal years ending June 30, 1983 and June 30, 1984 for the Public Utilities Commission's three programs.]

Budget, Expenditures, Encumbrances and Reversions for the Year ending June 30, 1984

Program	Budget at Beginning of Period	Budget at end of Period	Expenditure by Fund		Total Expenditures	Encumbrances and Carry-overs	Reversions
			General	Dedicated			
01- Administration							
Personal Services	$213,873.00	$213,873.00	$213,810.01		$213,810.01		
Operating Expenses	27,030.00	27,030.00	24,997.85		24,997.85	$ 1,854.45	
Total Program	$240,903.00	$240,903.00	$238,807.86		$238,807.86	$ 1,854.45	$ 240.69
02- Transportation							
Personal Services	$137,881.00	$137,881.00	$137,859.34		$137,859.34		
Operating Expenses	55,111.20	55,111.20	54,427.05		54,427.05	$ 214.70	
Total Program	$192,992.20	$192,992.20	$192,286.39		$192,286.39	$ 214.70	$ 491.11
03- Fixed Utilities							
Personal Services	$347,312.00	$347,312.00			$281,577.70		
Operating Expenses	164,359.00	164,359.00			139,611.78	$22,816.00	
Total Program	$511,671.00	$511,671.00			$421,189.48	$22,816.00	$67,665.52
04- Non-Appropriated Filing Fees							
Operating Expenses	$430,765.75	$430,765.75		$343,976.20	$343,976.20		
Total Program	$430,765.75	$430,765.75		$343,976.20	$343,976.20		$ 86,789.55
TOTAL ALL PROGRAMS	$1,376,331.95	$1,376,331.95	$431,094.25	$343,976.20	$1,196,259.93	$24,886.15	$155,186.87

TRANSPORTATION DIVISION

The Transportation Division is responsible for matters relating to the regulation of Class A, B and C motor carriers, public warehouses, public grain storage warehouses and grain dealers. This division has four sections: 1) Motor Carriers, 2) Inspection/Investigation, 3) Public Warehousing and 4) Legal.

Motor Carrier Section:

The primary purpose of motor carrier regulation by the Commission, as defined in state law, is to assure the public of adequate and responsive transportation service at reasonable rates. These rates are reviewed and analyzed to insure they are not unjustly discriminatory and do not prefer any individual or group to the detriment of others. The motor carrier section consists of technical, support and clerical personnel who assist the Commission in meeting its statutory responsiblities relating to the transportation industry providing safe and adequate service, and just, reasonable and non-discriminatory rates to consumers.

Further, this staff is responsible to coordinate and process applications, tariffs, time-tables, insurance and service requirements for intrastate motor carriers and interstate motor carriers operating within the boundaries of South Dakota. The staff also maintains complete files of all motor carriers' tariffs and handles complaints and inquiries from the general public.

As provided in Chapter 49-28 of the South Dakota Codified Laws there are two types of motor carriers: 1) common carriers, and 2) contract carriers.

1) Common carriers are licensed operators of vehicles deemed necessary to serve the public convenience and necessity so they consequently are available for public hire. Intrastate permits are granted to common carriers in two classes (A & B) as follows:

Class A - commercial entities operating between fixed terminals or over a regular route, under regular rates or charges, based upon either station-to-station rates or upon mileage rate or scale (for example: commercial bus lines);

Class B - commercial entities operating under regular rates or charges, based upon either station-to-station rates, or upon a mileage rate or scale, and not between fixed terminals or over a regular route (for example: delivery services, independent truckers, and cattle and grain haulers);

Note: both Classes A & B are limited to a certain area of service within which their commerce must originate and end.

2) Contract Carriers are licensed operators which transport property where the remuneration is fixed in a contract and the transportation service furnished under a contract, charter, agreement or undertaking where such carrier does not engage in or hold itself out to furnish service to the public generally.

Intrastate permits are granted by the Commission to contract carriers as Class C permits.

Interstate carriers are required by state law to register with the Commission and are subject to regulation by the federal government's Interstate Commerce Commission. Interstate carriers are required to purchase annually the South Dakota identification stamps, which are commonly referred to as "bingo stamps".

Motor Carrier Statistics FY 1983-FY 1984

The following chart provides the performance data in fiscal years 1983-1984 of the transportation division's handling of these various applications and motor carrier registrations.

Intrastate Permits Issued:	FY 1983	FY 1984
Class A	3	1
Class B	99	89
Class C	18	38
Permit Transfers	51	51
Interstate Registration	1,770	1,978
Identification Stamps	143,854	157,636

Inspection/Investigation Section:

This section is staffed by three Inspectors/Investigators who are stationed outside the Commission's office in Pierre. Through daily contact with the Pierre office, these three Inspector/Investigators are responsible for conducting investigative, monitoring and contact activities with motor carrier operators and inspecting licensed grain elevators throughout South Dakota. These responsibilities and activities are carried out to assure compliance with the provisions of the South Dakota Codified Laws for motor carriers, public warehouses, grain elevators and grain dealers. They also are responsible for assuring compliance with the regulations and rules promulgated by the Commission in this area.

These activities by the Inspectors/Investigators assist the Commission's motor carrier efforts to insure the public of adequate, safe and dependable transportation service at reasonable and non-discriminatory rates. These inspection activities also assist the Commission's efforts in licensing and supervising the bonding practices of public warehouses, grain elevators and grain dealers to insure the property rights of owners and payments to producers.

Public Warehousing Section:

The Commission's staff in the public warehousing section is responsible to carry out the activities of the licensing and the bonding of warehouses and grain elevators, the handling of complaints and the exercise of the Commission's statutory jurisdiction over the handling, shipping and storing of grain.

The following is a description of the types of public warehouses which are regulated by the Commission; also the bonding requirements for each are noted:

1) Public grain warehouses include all elevators, flour mills purchasing grain and seeds for reshipment, and public warehouses in this state where grain and seeds are purchased, received, stored or handled.

2) Public terminal grain warehouses include a public grain warehouse designed, constructed and used or intended to be used for public storage grain when the different owners of grain desire that the grain be inspected, sampled, and weighed by independent inspectors, samplers, and weighers not connected with or employed by the owner, operator, or lessee of the grain warehouse.

   These public terminal grain warehouses require bonding before receiving authority certificates. A five thousand dollar ($5,000) bond must be assured for the first 10,000 bushels of stored grain and an additional three thousand dollar ($3,000) bond is required for each additional 10,000 bushels. Thereafter bonding requirements for grain warehousing are indexed to the price of the particular commodity being stored.

3) Public storage warehouses include all those where any personal property except grain and seed is received for storage for hire. Their bonding requirements are based on the square footage of their storage area or in lieu of bond, insurance may be filed.

4) One type of grain warehouse is actually a firm which buys grain for reshipment. This type of grain warehouse is a non-storing grain warehouse and needs only to secure a license from the Commission and post a five thousand dollars ($5,000) purchasing and reshipment bond thus they do not need to meet the storage bonding requirements.

5) A grain dealer's license is required of any person, firm or corporation, other than a licensed public grain warehouseman, who shall purchase grain from the owner thereof for the purpose of resale. Upon application, a grain dealer must file a bond of at least five thousand dollars ($5,000) plus five thousand dollars ($5,000) for each truck.

   Also a grain dealer is required to purchase a $2 decal to be displayed in the lower left hand corner of the windshield of each truck that is bonded.

6) The Commission also licenses one public terminal grain warehouse weightmaster. A weightmaster is required to be a competent person of good moral character who is a paid employee of a municipality, Chamber of Commerce or other similar organization and who is not an interested party, either as an owner or employee of any public grain warehouse or a public terminal grain warehouse and who shall in no manner be interested in the handling, storing, shipping, purchasing, or selling of grain or any of its products, nor in the employment of any person or corporation engaged therein, nor shall he be a member of any board of trade or organization of like character. The bonding requirement is the penal sum of $5,000, conditioned upon the faithful performance of his duties as such weighmaster.

The following chart lists the statistics of the public warehousing section for the fiscal years of 1983 and 1984.

Interstate carriers are required by state law to register with the Commission and are subject to regulation by the federal government's Interstate Commerce Commission. Interstate carriers are required to purchase annually the South Dakota identification stamps, which are commonly referred to as "bingo stamps".

Motor Carrier Statistics FY 1983-FY 1984

The following chart provides the performance data in fiscal years 1983-1984 of the transportation division's handling of these various applications and motor carrier registrations.

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The following is a description of the types of public warehouses which are regulated by the Commission; also the bonding requirements for each are noted:

1) Public grain warehouses include all elevators, flour mills purchasing grain and seeds for reshipment, and public warehouses in this state where grain and seeds are purchased, received, stored or handled.

2) Public terminal grain warehouses include a public grain warehouse designed, constructed and used or intended to be used for public storage grain when the different owners of grain desire that the grain be inspected, sampled, and weighed by independent inspectors, samplers, and weighers not connected with or employed by the owner, operator, or lessee of the grain warehouse.

   These public terminal grain warehouses require bonding before receiving authority certificates. A five thousand dollar ($5,000) bond must be assured for the first 10,000 bushels of stored grain and an additional three thousand dollar ($3,000) bond is required for each additional 10,000 bushels. Thereafter bonding requirements for grain warehousing are indexed to the price of the particular commodity being stored.

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4) One type of grain warehouse is actually a firm which buys grain for reshipment. This type of grain warehouse is a non-storing grain warehouse and needs only to secure a license from the Commission and post a five thousand dollars ($5,000) purchasing and reshipment bond thus they do not need to meet the storage bonding requirements.

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   Also a grain dealer is required to purchase a $2 decal to be displayed in the lower left hand corner of the windshield of each truck that is bonded.

6) The Commission also licenses one public terminal grain warehouse weightmaster. A weightmaster is required to be a competent person of good moral character who is a paid employee of a municipality, Chamber of Commerce or other similar organization and who is not an interested party, either as an owner or employee of any public grain warehouse or a public terminal grain warehouse and who shall in no manner be interested in the handling, storing, shipping, purchasing, or selling of grain or any of its products, nor in the employment of any person or corporation engaged therein, nor shall he be a member of any board of trade or organization of like character. The bonding requirement is the penal sum of $5,000, conditioned upon the faithful performance of his duties as such weighmaster.

The following chart lists the statistics of the public warehousing section for the fiscal years of 1983 and 1984.

Public Warehousing Statistics FY 1983 and FY 1984

	FY 1983	FY 1984
Public Storage Warehouses	44	41
Grain Warehouse (non-storing)	51	50
Federal Licensed Elevators	77	74
Grain Storage Warehouses	411	392
Value of Stored Grain (as of June 30)	not available	$73,215,083
Licensed Grain Dealers	332	262

During the time period of fiscal years 1983 and 1984 two warehouses switched to federal licenses, two filed bankruptcy and four elevators were taken over by existing elevators.

Also three South Dakota truck grain dealers filed bankruptcy, and one Missouri grain dealer filed bankruptcy.

During Fiscal Year 1984 all of the South Dakota licensed grain storage licensed warehouses were inspected once and some twice by the three inspectors on the Public Utilities Commission staff. The licensed elevators submit monthly grain reports on the first of every month for grain they have issued storage receipts for. They are required to be bonded for the market value as of the reporting date.

Legal Section:

Effective July 1, 1984, the legal section is staffed with one Assistant Attorney General who provides legal advice to the Commission and Transportation Division staff on all transportation related matters such as: motor carriers, public storage, public grain warehouses and grain dealers.

This attorney prepares Commission reports and orders and prepares opinions and memoranda on legal questions before the Commission which require research in addition to representing the transportation staff in various hearings. This attorney provides the Commission and staff with legal representation in state courts in transportation related litigation. The following are transportation decisions of the Commission which were appealed to the court system and their determinations.

Transportation Court Proceedings FY 1983 - FY 1984:

23148-B Class B motor carrier application of Shirley Hawley dba Midwest Tours and Charter Service

Appeal of the Commission Report and Order filed in the Circuit Court for the County of Beadle, Third Judicial Circuit. Appeal is pending.

6299-B Application of James Hoffman for the extension of his Class B motor carrier authority.

Judge Patrick McKeever of the 6th Judicial Circuit denied the appeal of James Hoffman and affirmed the PUC's Order of Reconsideration.

22861-B Application of Midwest Security Transfer, Inc. Commission Decision was upheld by South Dakota Supreme Court.

FIXED UTILITIES DIVISION

During the 1975 Legislative Session, the South Dakota Public Utilities Commission was vested with the powers, rights, functions and jurisdiction to regulate every investor-owned utility in South Dakota as defined in SDCL 49-34A-1(12). This definition of "public utility" is as follows:

> "any person operating, maintaining or controlling in this state equipment or facilities for the purpose of providing gas, or electric service to or for the public in whole or in part, in this state; provided, however, the term shall not apply to an electric or gas utility owned by a municipality, political subdivision, or agency of the state of South Dakota or any other state or a rural electric cooperative as defined in..." South Dakota Codified Law.

After the Commission was given this legal jurisdiction over certain "public utilities" for gas and electricity, the legislature established and the Commission named this division "Fixed Utilities". These new electric and natural gas regulatory responsibilities were added to the already existent telephone utilities regulation within the same division.

The Fixed Utilities Division has been responsible for the regulation of those public utilities which have fixed facilities and equipment which have required a major investment to construct and maintain. The state legislature has determined that the duplication of these fixed facilities and equipment by competing companies would not be in the consumer's best interest. The Fixed Utilities Division is responsible for matters relating to the regulation of investor-owned electric, natural gas and telephone utilities companies. This division has four sections: 1) accounting, 2) consumer services and complaints, 3) engineering and 4) legal.

The accounting section consists of professional, technical, support and clerical personnel who assist the Commission in meeting its statutory responsibilities relating to the regulation of rates, service, certification and safety of utility facilities for electric, natural gas and telephone utilities companies.

The consumer services and complaints section responds to consumer inquiries, investigates and resolves consumer complaints and prepares statistical summaries on consumer complaint activity throughout each fiscal year.

The engineering section, which is made up of a staff engineer, is responsible for providing technical staff direction to the Commission so as to insure the availability of regulated utility services of a prescribed quality and in sufficient quantity to meet all reasonable requirements for public use. The staff engineer participates in formal siting proceedings and he provides technical recommendations to the Commission in these proceedings.

The legal section consists of two assistant attorneys general and their clerical support staff. This section prepares notices of hearings, legal recommendations and final hearings. They also attend hearings, initiate investigation, draft administrative rules, and they represent the Commission in matters before the State and Federal Courts and federal agencies such as the Federal Energy Regulatory Commission.

Accounting Section:

The main objective of the accounting or rate analyst section is the processing of filings for requested increases in regulated utility company rates. This section must analyze filings, identify issues, prepare testimony and exhibits incorporating the staff's recommendations, as well as to assist in the preparation of cross-examination questions and preparation of briefs for use in the formal hearings process.

This section also analyzes and recommends action to be taken with regard to new tariff filings, purchase gas adjustments, fuel adjustment clauses, State and Federal Legislation, Federal Energy Regulatory Commission actions, Federal Communications Commission actions, actions of other states and investigations into new or non-routine utility regulation areas. The staff in the accounting section also provides technical expertise to other staff members or the Commissioners in the areas of electric, natural gas and telephone utility regulation.

ELECTRIC UTILITY REGULATION:

In the area of electric utility regulation, the Commission regulates six investor-owned electric companies; they are: Black Hills Power and Light, Iowa Public Service, Montana-Dakota Utilities Company, Northern States Power, Northwestern Public Service and Otter Tail Power. During the time period of fiscal years 1983 and 1984, electric rate case applications in the amount of $10,375,189 were pending before the Commission.

The following is a breakdown of these docketed electric rate case applications within the fiscal year it was filed. The determination of those proceedings is also included within this following information:

	Date Filed	Date Decided	Amount Requested	Percentage Requested	Amount Granted	Percentage Increase Granted	Effective Date Of Rates
				FY 1983 Cases Filed			
NWPS - F-3420	11-15-82	4-28-83	$ 798,018	1.4%	$ 590,936	1.0%	5-01-83
NSP - F-3422	11-17-82	4-27-83	4,917,000	13.4%	3,902,000	10.6%	5-01-83
OTP - F-3418	10-07-82	3-16-83	2,296,912	22.9%	1,418,632	14.1%	3-18-83
IPS - F-3415	6-30-82	11-04-82	265,426	20.0%	265,426	20.0%	11-04-82
				FY 1984 Cases Filed			
NWPS - F-3463	11-01-83	4-26-84	$ 338,633	.6%	$ 333,900	.5%	5-01-84
MDU - F-3463	6-29-84	11-14-84	1,423,670	17.6%	769,646 879,979 1)	9.5% 10.9%	11-15-84
IPS - F-3454	9-30-83	2-24-84	335,536	19.6%	335,536	19.6%	3-01-84

1) The settlement was both inclusive and exclusive of the purchase of an additional portion of the Big Stone Plant from NWPS. The higher amount, inclusive of Big Stone, won't become effective until the purchase is made. The lesser amount became effective on 11-15-84.

Natural Gas Utility Regulation:

In the area of natural gas utility regulation, the Commission regulates four investor-owned electric companies; they are: Iowa Public Service, Minnegasco, Montana-Dakota Utilities Company and Northwestern Public Service. During the time period of fiscal years 1983 and 1984, natural gas rate case applications in the amount of $7,101,571 were pending before the Commission. The following is a breakdown of these docketed natural gas rate case applications within the fiscal year it was filed. The determination of those proceedings is also included within this following information:

	Date Filed	Date Decided	Amount Requested	Percentage Regulated	Amount Granted	Percentage Increase Granted	Effective Date of Rates
				FY 1983 Cases Filed			
Gas							
MDU -F-3413	6-30-82	12-01-82	$2,011,025	7.9%	$1,475,000	5.8%	12-01-82
MDU -F-3445	6-10-83	11-08-83	3,503,546	11.7%	2,700,000	9.0%	11-20-83
				FY 1984 Cases Filed			
MDU -F-3445	6-10-83	11-08-83	$3,503,546	11.7%	$2,700,000	9.0%	11-20-83
MINNE-F-3458	8-26-83	1-18-84	1,587,000	3.8%	1,091,296	2.6%	1-27-84

Telephone Utility Operation:

The following two operating statements represent the operations of Northwestern Bell Telephone Company, Bison State Telephone Company, Independent Telephone Companies, Rural Cooperative Telephone Companies and Municipal Telephone Companies for the calendar years 1982 and 1983. Since July 1, 1982 the Public Utilities Commission is authorized by state law to regulate only the rates of Northwestern Bell Telephone Company and Bison State Telephone Company. A breakdown of these regulated rates for Northwestern Bell and Bison State are found on pages 25 through 30 of this report.

Telephone Utility Regulation

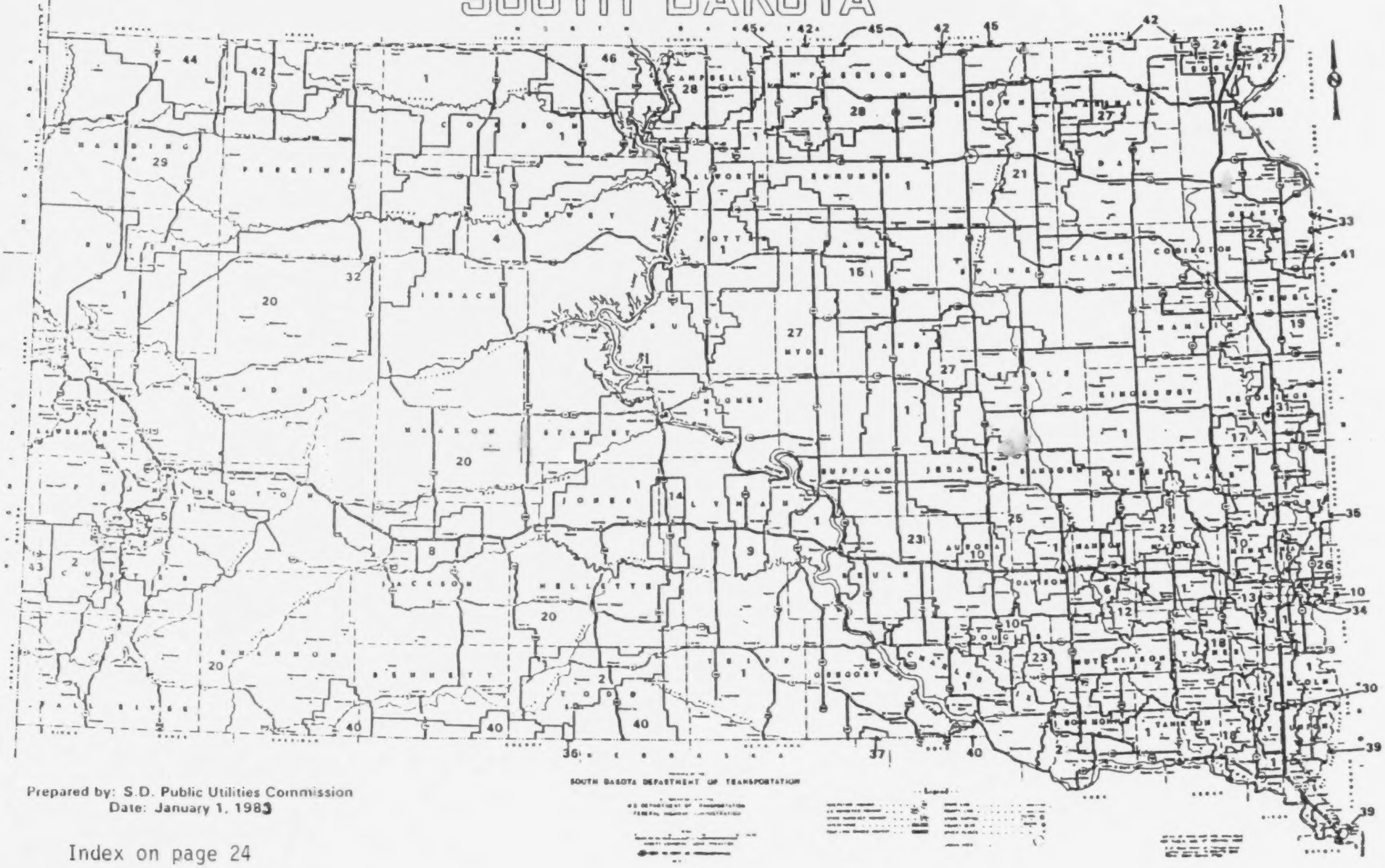
In the area of telephone utility regulation the Commission regulates two telephone companies; they are: Northwestern Bell Telephone Company, and Bison State Telephone Company (Continental Telephone Company - CONTEL). The South Dakota Legislature removed independent telephone companies with fewer than 7,000 subscribers from the Commission's jurisdiction effective July 1, 1982. The Commission lost regulation of the municipal telephone companies effective July 1, 1980 and the telephone cooperatives on July 1, 1979. As of December 31, 1982, ther were 271,677 main stations operating in South Dakota; the Commission has regulatory authority over 77.1% of them. Included in that 77.1% are foreign companies, nine of which are telephone companies under the jurisdiction of other state public utility commissions but are serving customers residing within the boundaries of the State of South Dakota. The territorial boundaries of individual companies are represented on the "Telephone Company Service Areas" South Dakota map. (See this map and the index on pages 23 and 24 of this report.) There are also 14 farm-owned telephone companies in South Dakota. This has decreased from 343 such farm-owned companies operating in 1966.

During the time period of fiscal years 1983 and 1984, telephone rate case applications in the amount of $61,963,813 were pending before the Commission.

The following is a breakdown of the docketed telephone rate case applications within the fiscal year it was filed:

	Date Filed	Date Decided	Amount Requested	Percentage Regulated	Amount Granted	Percentage Increase Granted	Effective Date of Rates
				FY 1983 Cases Filed			
Telephone							
NWB - F-3375	01-30-81	02-02-82	$16,488,151	19%	$3,225,594	3.8%	04-01-82
Revision of Decision	06-23-82				3,620,837	4.3%	06-23-82
Circuit Court Decision	08-24-82				4,699,888	5.6%	08-24-82
NWB - F-3410	05-28-82	10-22-82	13,851,273	15.8%	4,900,000	5.5%	11-22-82
NWB - F-3442	05-13-83	11-10-83	21,477,652	22.3%	1,972,561	1.9%	not in effect
				FY 1984 Cases Filed			
split into F-3443	06-30-83	12-30-85	$10,146,737		4,993,000	5%	01-01-84
Circuit Court Order	07-01-84				1,507,000	1.5%	07-01-84

TELEPHONE COMPANY SERVICE AREAS
SOUTH DAKOTA


CAMPBELL
McPHERSON
BROWN
MARSHALL
DAY
HARDING
PERKINS
CORSON
DEWEY
WALWORTH
EDMUNDS
POTTER
FAULK
SPINK
CLARK
CODINGTON
GRANT
ROBERTS
BUTTE
ZIEBACH
MEADE
HAND
HYDE
HAMLIN
DEUEL
KINGSBURY
BROOKINGS
HAAKON
STANLEY
JONES
LYMAN
BUFFALO
JERAULD
SANBORN
MINER
LAKE
AURORA
DAVISON
HANSON
JACKSON
MELLETTE
BRULE
DOUGLAS
HUTCHINSON
CHARLES MIX
GREGORY
TRIPP
BENNETT
SHANNON
FALL RIVER
TODD
BON HOMME
YANKTON
UNION
NEBRASKA
SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION

Prepared by: S.D. Public Utilities Commission
Date: January 1, 1983

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Telephone Companies Regulated

1. Northwestern Bell Telephone Company, Sioux Falls, SD
2. Bison State Telephone Company, Custer, SD

Telephone Companies - Non-Regulated

Independent

3. Armour Independent Telephone Company, Armour, SD
4. Cheyenne River Sioux Tribe Telephone Authority, Eagle Butte, SD
5. Great Plains Independent Telephone Company, Keystone, SD
6. Hanson County Telephone Company, Alexandria, SD
7. Jefferson Telephone Company, Jefferson, SD
8. Kadoka Telephone Company, Kadoka, SD
9. Kennebec Telephone Company, Kennebec, SD
10. Sioux Valley Telephone Company, Dell Rapids, SD
11. Stockholm-Strandburg Telephone Company, Stockholm, SD
12. Tri-County Mutual Telephone Company, Emery, SD
13. Union Telephone Company, Hartford, SD
14. Vivian Telephone Company, Vivian, SD
15. Western Telephone Company, Faulkton, SD

Cooperatives

16. Baltic Cooperative Telephone Company, Baltic, SD
17. Brookings-Lake Telephone Company, Brookings, SD
18. Dakota Cooperative Telecommunications, Irene, SD
19. Deuel Telephone Cooperative Association, Clear Lake, SD
20. Golden West Telephone Cooperative, Inc., Wall, SD
21. James Valley Cooperative Telephone Company, Groton, SD
22. McCook Cooperative Telephone Company, Salem, SD
23. Midstate Telephone Company, Kimball, SD
24. Roberts County Telephone Cooperative Association, New Effington, SD
25. Sanborn Telephone Cooperative, Inc., Woonsocket, SD
26. Splitrock Cooperative Telephone Association, Garretson, SD
27. Sully Buttes Telephone Cooperative, Inc., Highmore, SD
28. Valley Telephone Cooperative Association, Herreid, SD
29. West River Cooperative Telephone Company, Bison, SD

Municipal

30. City of Beresford Telephone Department, Beresford, SD
31. City of Brookings Telephone Department, Brookings, SD
32. Faith Municipal Telephone Company, Faith, SD

Foreign

33. Farmers Mutual Telephone Company, Bellingham, Minnesota
34. Hills Telephone Company, Inc., Estherville, Iowa
35. Continental Telephone Company of Minnesota, Minneapolis, Minnesota
36. Continental Telephone Company of Nebraska, Minneapolis, Minnesota
37. Three River Telco, Lynch, Nebraska
38. Valley Telephone Company, Browns Valley, Minnesota
39. Northwestern Bell Telephone Company of Iowa
40. Northwestern Bell Telephone Company of Nebraska
41. Northwestern Bell Telephone Company of Minnesota
42. Northwestern Bell Telephone Company of North Dakota
43. Northwestern Bell Telephone Company of Wyoming
44. Consolidated Telephone Corporation, Dickinson, North Dakota
45. Dickey Rural Telephone Mutual Aid Corporation, Ellendale, North Dakota
46. West River Mutual Aid Telephone Corporation, Hazen, North Dakota

SOUTH DAKOTA TELEPHONE COMPANIES*
SUMMARY OF INTRASTATE OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 1982 AND 1981

	1982	1981	Difference	Percentag Increase (Decreas
Revenues				
Local service				
/MS				
Toll service				
/MS	$122,259,385	$110,373,574	$11,885,811	10.77
Miscellaneous (net)	6,656,764	5,761,941	894,823	15.53
/MS	24.50	20.87		
Total operating revenues	$128,916,149	$116,135,515	$12,780,634	11.00
/MS	474.52	420.69		
Expenses				
Maintenance	$ 24,896,668	$ 22,295,030	$ 2,601,638	11.67
/MS	91.64	80.76		
Depreciation and amortization	25,037,874	22,777,753	2,260,121	9.92
/MS	92.16	82.51		
Traffic	5,530,371	5,570,821	(40,450)	(0.73)
/MS	20.36	20.18		
Commercial	12,330,607	11,260,712	1,069,895	9.50
/MS	45.39	40.79		
General	21,021,925	18,453,549	2,568,376	13.92
/MS	77.38	66.85		
Taxes (excluding F.I.T.)	7,375,874	7,225,108	150,766	2.09
/MS	27.15	26.17		
Federal income taxes (F.I.T.)	7,844,394	6,042,579	1,801,815	29.82
/MS	28.87	21.89		
Miscellaneous (net)	2,612,471	2,264,739	347,732	15.35
/MS	9.62	8.20		
Total operating expenses	$106,650,184	$ 95,890,291	$10,759,893	11.22
/MS	392.57	347.35		
Net operating income	$ 22,265,965	$ 20,245,224	$ 2,020,741	9.98
/MS	81.95	73.34		
Net income	$ 19,269,904	$ 19,624,952	$ (355,048)	(1.81)
Net plant in service (ave)	$282,902,436	$276,777,259	$ 6,125,177	2.21
/MS	1,041.32	1,002.60		
Main stations - MS	271,677	276,059	(4,382)	(1.59)
Extensions	242,485	250,722	(8,237)	(3.29)
Service stations	94	116	(22)	(18.97)
Total	514,256	526,897	(12,641)	(2.40)
Rate of return	7.871	7.315		0.556
Gross margin	17.272	17.432		(0.160)

*Faith Municipal did not report

SOUTH DAKOTA TELEPHONE COMPANIES*
SUMMARY OF INTRASTATE OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 1983 AND 1982

	1983	1982	Difference	Percentage Increase (Decrease)
Revenues				
Local service				
/AL				
Toll service				
/AL				
Miscellaneous (net)				
/AL				
Total operating revenues	$142,760,460	$128,884,154	$13,876,306	10.77
/AL	487.07	445.95		
Expenses				
Maintenance	$ 25,509,518	$ 24,271,600	$ 1,237,918	5.10
/AL	87.03	83.98		
Depreciation and amortization	26,083,533	24,139,683	1,943,850	8.05
/AL	88.99	83.53		
Traffic	5,607,038	5,530,371	76,667	1.39
/AL	19.13	19.14		
Commercial	11,749,499	12,318,607	(569,108)	(4.62)
/AL	40.09	42.62		
General	21,487,142	20,869,231	617,911	2.96
/AL	73.31	72.21		
Taxes (excluding F.I.T.)	8,056,766	7,346,338	710,428	9.67
/AL	27.49	25.42		
Federal income taxes (F.I.T.)	12,379,405	8,937,315	3,442,090	38.51
/AL	42.24	30.92		
Miscellaneous (net)	2,789,012	2,298,177	490,835	21.36
/AL	9.52	7.95		
Total operating expenses	$113,661,913	$105,711,322	$ 7,950,591	7.52
/AL	387.80	365.77		
Net operating income	$ 29,098,547	$ 23,172,832	$ 5,925,715	25.57
/AL	99.27	80.18		
Net plant in service (ave)	$278,565,709	$287,080,282	$(8,514,573)	(2.97)
/AL	950.40	993.32		
Access lines-AL	293,103	289,011	4,092	1.42
Rate of return	10.446	8.072		2.374
Gross margin	20.383	17.980		2.403

*Vivian Independent did not report

TELEPHONE RATES
NORTHWESTERN BELL TELEPHONE COMPANY

	Base Rate Area						
Rate Group	Business 1	Residence 1 ¢	Residence 2 ¢¢	Residence 4*	Semi-Public	Agri-Business	Service Station
A (0-500)	$20.90	$ 9.30	$4.95		$13.80	$15.15	$3.70
B (501-1000)	20.90	9.30	4.95		13.80	15.15	3.70
C (1001-2000)	23.30	10.00	5.50		15.00	15.85	3.90
D (2001-5000)	23.30	10.00	5.50	$4.85	15.00	15.85	3.90
E (5001-10,000)	26.10	10.80	6.25	5.30	16.40	16.65	4.15
F (10,001-20,000)	26.10	10.80	6.25	5.30	16.40	16.65	4.15
G (20,001-30,000)	30.25	12.00	7.25	6.20	18.45	17.85	4.45
H (30,001-45,000)	30.25	12.00	7.25	6.20	18.45	17.85	4.45
I (45,001-60,000)	32.05	12.50	7.70	6.60	19.35	18.35	4.60

* Service is obsolete
¢ For exchanges where Conserver's Service is available, add $1.00
¢¢ For exchanges where Conserver's Service is available, add $4.15

NOTE: Rates are for access to network only; set charge is additional

(As of 1-1-84)

SOUTH DAKOTA

Rate Groups based on total terminals (less public and company office main stations), available in local service calling area (including E.A.S. points.)

5 Group "A" Exchanges (0-500)

- Bridgewater
- Canistota
- Hecla*
- Presho
- Timber Lake

9 Group "B" Exchanges (501-1,000)

- Bonesteel
- Burke
- Elk Point
- Murdo
- Newell
- Onida
- Tripp
- Tyndall
- Wessington Springs

24 Group "C" Exchanges (1,001-2,000)

- Arlington
- Bowdle*
- Bradley
- Britton
- Centerville
- Clark-Raymond
- DeSmet
- Gettysburg-Lebanon*
- Gregory
- Howard-Carthage
- Hudson
- Ipswich*
- Lake Andes-Pickstown
- McIntosh
- Miller
- Morristown
- Parkston
- Peever
- Platte-Geddes
- Reliance
- Roscoe*
- Salem
- Volga-Bruce
- Wagner

33 Group "D" Exchanges (2,001-5,000)

- Alcester
- Belle Fourche
- Bristol
- Canton-Fairview
- Chamberlain
- Clearfield
- Colman
- Doland*
- Eureka*
- Flandreau
- Lake Preston
- Lemmon
- Marion
- Milbank
- Mobridge
- Nisland
- Oldham-Ramona
- Pierpont
- Redfield
- Revillo
- Roslyn
- Selby
- Sisseton
- Sturgis
- Summit
- Veblen
- Vermillion
- Viborg
- Waubay
- Webster
- Wilmot
- Winner
- Witten

20 Group "E" Exchanges (5,001-10,000)

- Castlewood
- Cavour
- Deadwood
- Florence
- Hayti
- Huron
- Iroquois
- Lake Norden
- Lead
- Lesterville
- Madison
- Mitchell
- Pierre-Ft. Pierre*
- South Shore
- Spearfish
- Tabor
- Whitewood
- Willow Lake (Bryant)
- Wolsey
- Yankton

***Exchanges where Conserver's Service is available**

5 Group "F" Exchanges (10,001-20,000)

Aberdeen*
Cresbard*
Frederick*
Mellette*
Watertown

0 Group "G" Exchanges (20,001-30,000)

3 Group "H" Exchanges (30,001-45,000)

Hermosa
Hill City
Rapid City*

2 Group "I" Exchanges (45,001-60,000)

Harrisburg-Tea
Sioux Falls*

*Exchanges where Conserver's Service is available

BISON STATE TELEPHONE COMPANY
LOCAL EXCHANGE SERVICE RATES
EFFECTIVE OCTOBER 15, 1982

CLASS OF SERVICE

Rate Group	Exchange	Business 1-Party	Business Trunk	Business Key	Residence 1-Party	Semi-Public	EAS Points
1	1-750 Terminals						
	Avon	$22.80	$45.50	$34.10	$11.40	$34.10	
	Springfield	22.80	45.50	34.10	11.40	34.10	
	Menno	26.35	49.05	37.65	13.50	37.65	Freeman
	Mission	30.70	53.40	42.00	15.95	42.00	Rosebud
	Rosebud	32.05	54.75	43.35	16.65	43.35	Mission
2	751-1500 Terminals						
	Scotland	24.60	49.15	36.85	12.30	36.85	
	Freeman	31.55	56.10	43.80	16.20	43.80	Menno Flyger Marion
3	1501-3000 Terminals						
	Custer	26.60	53.15	39.90	13.35	39.90	

CONSUMER SERVICES AND COMPLAINTS SECTION

The consumer services and complaint section has the primary responsibility for consumer relations and communications. Upon receipt of telephoned and written inquiries, complaints, and comments from consumers, a staff member will initiate an investigation on the consumer's behalf. In many instances the consumer will have first contacted the utility company and simply wishes further assistance. This department keeps a record of all such complaints and their resolutions for tabulations and preparation of statistical summaries.

SUMMARY OF CONSUMER COMPLAINTS RECEIVED

YEAR	ELECTRIC	GAS	TELEPHONE	TOTAL
FY 1982 (January - June 1982)	138	84	323	545
FY 1983	776	135	981	1,892
FY 1984	443	382	5,207	6,032

ADMINISTRATIVE RULES OF SOUTH DAKOTA
TITLE 20, ARTICLE 10 PUBLIC UTILITIES

The Commission, investor-owned utilities, and interested consumer groups have approved and promulgated rules for telephone, gas, and electric companies in South Dakota. These rules include allowing for a penalty for late payment of bills, as well as a carrying charge. A gas and electric consumer has twenty days to pay his bill from the day the bill is issued. If he fails to pay within this time frame a disconnect notice is issued, allowing ten days to remit the amount of the bill to avoid termination of his service. Telephone customers are allowed a payment period of fifteen days. Gas and electric customers are allowed thirty additional days to pay their bills in the winter months to avoid disconnection of service. When credit has not been established by a customer a deposit may be required. Interest is earned on the deposit at a rate of 7% and is to be automatically returned to the customer after one year provided there have been no late payments.

STATISTICS NARRATIVE

NOTE: This report marks the first time that the Public Utilities Commission Consumer Services and Complaints Section presents its statistics in a Fiscal Year time period. The last reported time period ended December 31, 1981. The second six months of calendar year 1982 had not been reported. The following reports are for the full Fiscal Year of 1983 and 1984.

In FY 1982 an additional 4,476 customers objected to the two-part rate increase request of Northwestern Bell, Docket F-3442 and F-3443. The first portion of the rate increase request related to a "business as usual" rate increase and the second part related to the divestiture by American Telephone and Telegraph Company of its operating companies, Northwestern Bell Telephone Company included.

No petitions from regulated investor-owned utilities were included in complaint compilations for FY 1982.

In FY 1983, the Commission received signed petitions against rate increases from Minnegasco (50 signers), Northern States Power Company (28 signers) and Otter Tail Power Company (70 signers) customers. The Commission registered a total of 680 complaints concerning the Northwestern Bell Telephone Company residential connection charge of $69.00. Two hundred eight petitioners objected to the closing of the Menno, South Dakota, service office of Northwestern Public Service Company. Four hundred sixty-eight Northwestern Public Service customers objected to electric rates. Three hundred eighty-four Northwestern Bell customers objected to the rate increase request in Docket F-3442, the first part of a two-part rate increase request.

The Commission opened Docket F-3475 in February, 1984, to conduct an investigation into the matter of the purchase of telephone shells by Northwestern Bell Telephone Company customers. In FY 1984 the Commission received a total of 439 complaints by telephone customers who, prior to November 17, 1980, thought they were purchasing the entire telephone when, in accordance with the tariff filed with the Commission, the inside working components remained the property of the telephone company.

Also in FY 1984 105 petitioners and letter writers objected to the Montana-Dakota Utilities Company gas rate increase in Docket F-3445.

The following five pages of statistical information is the Monthly Comparison of Electric, Natural Gas and Telephone Complaints for FY 1982, FY 1983 and FY 1984. Also, for the time period of FY 1982, FY 1983 and FY 1984 the four pages of reports entitled "Electric, Natural Gas and Telephone Consumer Complaints by Category" are included in this report section.

MONTHLY COMPARISON OF ELECTRIC, NATURAL GAS AND TELEPHONE COMPLAINTS FOR FY 1982
JANUARY THROUGH JUNE, 1982

Electric Companies:	JAN	FEB	MAR	APR	MAY	JUNE	TOTALS
Black Hills Power & Light	9	6	7	5	6	11	44
Iowa Public Service	1	1	0	1	0	0	3
Montana-Dakota Utilities Company	0	0	2	4	1	1	8
Northern States Power	4	2	5	1	5	4	21
Northwestern Public Service	8	7	14	7	13	7	56
Otter Tail Power					2	2	4
Unregulated	1	1					2
TOTALS	23	17	28	18	27	25	138
Natural Gas Companies:							
Minnegasco	5	6	2	3	5	4	25
Iowa Public Service	0	1	1	4	2	2	10
Montana-Dakota Utilities Company	5	10	18	4	6	1	44
Northwestern Public Service	1	0	0	1	2	1	5
TOTALS	11	17	21	12	15	8	84
Telephone Companies							
Bison State	1	1	5	3	0	1	11
Northwestern Bell	11	21	19	16	14	18	99
Unregulated	220*						220
TOTALS	232	22	24	19	14	19	330
1/2 FISCAL YEAR TOTAL	266	56	73	49	56	52	552

(*216 of these were from petitions regarding the Sioux Valley Telephone Company)

MONTHLY COMPARISON OF ELECTRIC, NATURAL GAS AND TELEPHONE COMPLAINTS FOR FY 1983

Electric Companies:	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTALS
Black Hills Power & Light	8	4	3	6	6	6	4	2	8	4	5	10	64
Iowa Public Service	0	0	0	0	0	0	1	0	1	0	0	0	2
Montana-Dakota Utilities Company	3	2	2	1	1	2	0	3	0	2	0	1	17
Northern States Power	1	5	10	6	6	6	4	4	4	9	5	1	61
Northwestern Public Service	12	8	10	10	10	11	3	3	44*	474*	21	8	614
Otter Tail Power	0	2	0	1	1	2	1	1	1	1	4	4	18
TOTALS	22	21	25	24	24	27	13	13	58	490	35	24	776

*Includes Petition

Natural Gas Companies:													
Iowa Public Service	0	1	2	1	1	1	2	0	0	2	3	1	14
Minnegasco	4	4	2	5	5	5	7	3	1	1	7	2	46
Montana-Dakota Utilities Company	8	2	8	3	3	3	9	7	6	7	3	2	41
Northwestern Public Service	0	0	0	0	0	0	1	1	2	2	2	4	14
TOTALS	12	7	12	9	9	9	19	14	8	12	15	9	135

MONTHLY COMPARISON OF ELECTRIC, NATURAL GAS AND TELEPHONE COMPLAINTS FOR FY 1983, CONT.

Telephone Companies:	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTALS
Northwestern Bell	22	24	24	18	18	18	12	7	19	642*	49*	112**	965
Bison State	0	1	2	2	2	2	2	1	1	2	0	2	15
MT SYSTEMS	0	0	0	0	0	0	0	0	0	1	0	0	1
TOTALS	22	25	26	20	20	20	14	8	20	645	49	112	981
FISCAL YEAR TOTAL	56	53	63	53	53	56	46	35	86	1147	99	145	1892

*NOTE: In FY 1983, the Commission received signed petitions against rate increases from Minnegasco (50 signers), Northern States Power Company (28 signers) and Otter Tail Power Company (70 signers) customers. The Commission registered a total of 680 complaints concerning the Northwestern Bell Telephone Company residential connection charge of $69.00. Two hundred eight petitioners objected to the closing of the Menno, South Dakota, service office of Northwestern Public Service Company. Four hundred sixty-eight Northwestern Public Service customers objected to electric rates. Three hundred eighty-four Northwestern Bell customers objected to the rate increase request in Docket F-3442, the first part of a two-part rate increase request.

MONTHLY COMPARISON OF ELECTRIC, NATURAL GAS AND TELEPHONE COMPLAINTS FOR FY 1984

Electric Companies:	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTALS
Black Hills Power & Light	2	4	6	5	4	9	7	2	7	7	1	3	57
Iowa Public Service	0	0	3	0	37*	2	1	1	0	0	0	0	44
Montana-Dakota Utilities Company	1	2	1	0	0	1	1	4	3	0	0	9	22
Northern States Power	2	3	0	2	2	5	6	6	6	3	6	0	41
Otter Tail Power	3	4	0	3	1	1	0	0	0	1	3	2	18
Northwestern Public Service	5	4	10	4	10**	72	67	13	16	16	12	8	237
Unregulated	0	0	0	4	1	0	2	3	3	4	3	5	25
TOTALS	13	17	20	18	55	90	84	29	35	31	25	27	444

*Includes Petition

**Rate Design

Natural Gas Companies:	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTALS
Iowa Public Service	1	0	4	6	0	2	0	2	3	1	2	1	22
Minnegasco	2	6	6	5	3	3	7	12	1	8	5	5	63
Montana-Dakota Utilities Company	54	3	8	8	12	48	12	36	22	11	13	9	236
Northwestern Public Service	5	0	3	3	0	0	2	8	12	11	9	8	61
TOTALS	62	9	21	22	15	53	21	58	38	31	29	23	382

MONTHLY COMPARISON OF ELECTRIC, NATURAL GAS AND TELEPHONE COMPLAINTS FOR FY 1984, CONT.

Telephone Companies:	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTALS
Northwestern Bell	1456*	1321*	102	23	1621*	22	49**	51	236**	154**	49**	50**	5134
Bison State	0	0	1	0	1	5	0	1	0	1	1	3	13
Electro Craft	1	0	0	0	0	0	0	0	0	0	0	0	1
Unregulated	0	0	11	1	1	5	3	4	11	10	9	4	59
TOTALS	1457	1321	114	24	1623	32	52	56	247	165	59	57	5207

*Includes Rates Increase petitions - Docket #F-3442
**Includes Shell Phone Complaints - Docket #F-3475

FISCAL YEAR TOTAL	1534	1347	155	64	1757	175	157	143	320	327	113	107	6033

NOTE: The Commission opened Docket F-3475 in February, 1984, to conduct an investigation into the matter of the purchase of telephone shells by Northwestern Bell Telephone Company customers. In FY-1984 the Commission received a total of 439 complaints by telephone customers who, prior to November 17, 1980, thought they were purchasing the entire telephone when, in accordance with the tariff filed with the Commission, the inside working components remained the property of the telephone company.

Also in FY 1984 105 petitioners and letter writers objected to the Montana-Dakota Utilities Company gas rate increase in Docket F-3445.

ELECTRIC, NATURAL GAS AND TELEPHONE CONSUMER COMPLAINTS BY CATEGORY FOR FISCAL YEAR 1982

Electric Companies:	Meter or Service Problems	Deposit or Disconnect	Want Service, Rural or Serv. Improvement	Boundary or Territory Disputes	Tariff or Billing Practices	Rate Increase Complaints
Black Hills Power & Light	8	49	1		24	5
Iowa Public Service		3			1	
Montana-Dakota Utilities Company	3	1			12	1
Northern States Power	4	16			20	4
Northwestern Public Service	8	55	1	2	36	29
Otter Tail Power	1	6			2	2
REA's (Not PUC regulated)			2			1
TOTALS	24	130	4	2	95	42
Natural Gas Companies:						
Iowa Public Service	1	7			4	
Minnegasco	10	12			21	4
Montana-Dakota Utilities Company	6	13			30	14
Northwestern Public Service		3			2	4
TOTALS	17	35			57	22
Telephone Companies:						
Cheyenne River Sioux Tribal Authority			1			
Bison State	5	5	5	1	2	2
*The following are regulated by the PUC:						
Jefferson Telephone				1		
Golden West			2			
Sioux Valley				216 (Petition)		
Union		1				
Western Telephone	1					
Northwestern Bell	24	72	3	3	63	16
TOTAL	30	78	11	222	65	18
FISCAL YEAR TOTALS	71	243	15	224	217	82

ELECTRIC, NATURAL GAS AND TELEPHONE CONSUMER COMPLAINTS BY CATEGORY FOR FISCAL YEAR 1983

	Meter or Service Problems	Deposit or Disconnect	Want Service, Rural or Serv. Improvement	Boundary or Territory Disputes	Tariff or Billing Practices	Rate Increase Complaints
Electric Companies:						
Black Hills Power & Light	8	32	3		20	1
Iowa Public Service					2	
Montana-Dakota Utilities Company	4	4			14	5
Northern States Power	5	23	2		12	15
Northwestern Public Service	9	65	5		24	511
Otter Tail Power	1	11		1	6	
TOTALS	27	135	10	1	78	532
Natural Gas Companies:						
Iowa Public Service	4	4			6	
Minnegasco	5	23			18	6
Montana-Dakota Utilities Company	4	15	1		24	11
Northwestern Public Service		10			4	
Unregulated	1					
TOTALS	14	52	1		52	17
Telephone Companies:						
Bison State	2	1			9	3
Northwestern Bell	5	21	6		44	1064
M-T Systems		1				
TOTAL	7	23	6	0	53	1067
FISCAL YEAR TOTALS	59	210	17	1	183	1616

ELECTRIC, NATURAL GAS AND TELEPHONE CONSUMER COMPLAINTS BY CATEGORY FOR FISCAL YEAR 1984

	Meter or Service Problems	Deposit or Disconnect	Want Service, Rural or Serv. Improvement	Boundary or Territory Disputes	Tariff or Billing Practices	Rate Increase Complaints
Electric Companies:						
Black Hills Power & Light	5	33	2		17	
Iowa Public Service		5			1	
Montana-Dakota Utilities Company		8			10	3
Northern States Power	3	20	2		15	1
Northwestern Public Service	1	71	2		28	136
Otter Tail Power	1	10			5	3
Unregulated Companies	4	14	1	1	3	
TOTALS	14	161	7	1	79	181
Natural Gas Companies:						
Iowa Public Service	1	15	1			4
Minnegasco	6	14	1		26	246
Montana-Dakota Utilities Company	9	41			33	152
Northwestern Public Service		50			9	1
TOTALS	16	120	2		68	181
Telephone Companies:						
Bison State		3		1	8	
Electro Craft			3			
Northwestern Bell	19	46	22		704*	4476
Unregulated Companies	2	4	10	1	32	11
TOTAL	21	53	35	2	744	4487
FISCAL YEAR TOTALS	51	334	44	3	891	4849

*Includes 439 Shell Phone Complaints, Docket #F-3475

ENGINEERING SECTION

The Engineering Section plans and administers the development and implementation of engineering programs to insure that all utilities regulated by the Commission adhere to the established standards of service and safety adopted by the Commission. Major areas of activity include: review of energy conversion and transmission facility siting applications, evaluating electric and natural gas miscellaneous tariffs and cogeneration tariffs, preparation of territorial maps, and development of engineering related evidence for Commission proceedings.

The number of Kilowatt hours sold to customers in South Dakota by investor-owned utilities increased by approximately 257 million KWH or 9% over the 2 year period from December 1981 to December 1983. At the same time the annual average number of retail customers served by the investor-owned utilities increased by only 138 customers, or less than 0.1 of 1% of the number of customers being served in December 1981. The monthlyy KWH usage per customer increased by approximately 200 KWH to 1393 KWH for the 2 year period.

During the FY82-83 biennium, 59 miles of 115KV transmission line and 5 miles of 345KV Double Circuit transmission line were added to the system of those in operation. Approximately 3,600 miles of transmission lines are in operation in South Dakota ranging in capacity from 115KV line to a 345KV line. Investor-owned Utilities owned and operated 24% of these lines. The following table provides the breakdown by company:

During the FY 83-84 biennium, the Engineering Section was involved with the following docketed Commission proceedings:

Docket F-3371 Nebraska Public Power District

Application for a permit to construct approximately 233 miles of a 500KV single circuit transmission line and associated facilities from a point on the North Dakota-South Dakota border 2.5 miles east of the Brown-Marshall County line to a crossing of the Gavins Point Dam west of Yankton, South Dakota.

Filed: January 14, 1981.

Disposition: Permit was denied on January 14, 1982. This docket is still active. Remanded to Commission in portion after appeal to the State Supreme Court.

Docket F-3237

Investigation of the implementation of certain requirements of Title II of the Public Utilities Regulatory Policy Act of 1978 regarding cogeneration and small power production.

Filed: October 31, 1980

Disposition: The Commission's investigation in this matter began on October 31, 1980. Public hearings were commenced in Pierre on

January 6, 1982. On December 14, 1982 the Commission issued a Decision and Order in this matter which set terms for the filing of tariff sheets providing for the purchase and sale of electrical energy and capacity between cogeneration and small power production facilities and the electric utility company. The required tariffs have been filed and are under consideration for approval by the Commission.

Docket F-3471

Investigation of the treatment of certain costs associated with the Commercial and Apartment Conservation under the National Energy Conservation Policy Act of 1978 as amended by the Energy Security Act of 1980.

Filed: January 24, 1984

Disposition: The Commission issued a Decision and Order on May 11, 1984. Docket is now closed.

The Engineering Section was also involved in evaluating a number of electric and natural gas miscellaneous tariff filings and master metering variance requests.

ELECTRIC TRANSMISSION LINES OPERATING IN SOUTH DAKOTA
AS OF JUNE 30, 1984

	115KV Line* Number of Miles	161KV Line* Number of Miles	230KV* Number of Miles	230KV* Double Circuit Number of Miles	345KV* Number of Miles	345KV* Double Circuit Number of Miles
Basin Electric Power Company, 1717 East Interstate Avenue Bismarck, ND 58501			14		270	
Black Hills Power & Light Co. P. O. Box 1[illegible]00 Rapid City, SD 57709	4		154			
Montana-Dakota Utilities 400 North Fourth Street Bismarck, ND 58501	85		40			
Nebraska Public Power Company 1414 15th Street Columbus, NE 68601	40					
Northern States Power Company 414 Nicollet Mall Minneapolis, MN 55401	162	11				
Northwestern Public Service Co. 500 Northwestern Natl. Bk Bldg. Huron, SD 57350	320		23			5
Otter Tail Power Company South Cascade Street Fergus Falls, MN 56537	12		16			
Western Area Power Admin. P. O. Box EGY Billings, MT 59101	1260		369	605	210	

*Approximate Values

Pipelines bring natural gas and petroleum products to South Dakota. There are 1,129 miles of natural gas pipelines and 554 miles of petroleum product pipelines in operation in South Dakota.

PIPELINES OPERATING IN SOUTH DAKOTA DURING FY 1979-1981

COMPANY	ROUTE MILES	LOCATION
NATURAL GAS:		
Montana-Dakota Utilities	299	From the junction of the North Dakota, South Dakota and Montana Borders southward to Rapid City connecting the cities of Spearfish, Lead, Deadwood and Sturgis.
Northern Natural Gas	650	From the Nebraska-South Dakota border near Ponca, Nebraska northward to Sioux Falls, then westward to Aberdeen with connections to the cities of Brookings, Watertown, Huron, Mitchell, and Yankton and additional connections to smaller towns along this route.
Northern Border	180	From the North Dakota-South Dakota border north of Eureka, South Dakota to the Minnesota-South Dakota border near Astoria, South Dakota.
PETROLEUM PRODUCTS:		
Knaeb Pipeline Company	314	From East of Yankton to north of Fredrick, South Dakota.
Wyco Pipeline Company	95	From the southwest corner of South Dakota to Rapid City.
Williams Pipeline Company	110	From southwest of Clear Lake to Watertown, from east of Dell Rapids to Sioux Falls and from near Alcester to Sioux Falls.

The 43 energy conversion facilities operating in South Dakota have a generating capacity of approximately 2434 megawatts of electricity. Investor-owned utilities own and operate facilities in South Dakota with a generating capacity of approximately 792 megawatts. Sixty percent of the total megawatt generating capacity is owned and operated by the United States Corps of Engineers on the Missouri River dam system.

Between December, 1981 and December, 1983 there have been no generating capacity additions or retirements in South Dakota.

ENERGY CONVERSION FACILITIES IN SOUTH DAKOTA
FOR PERIOD FY 1979-1981

	Plant		Generation		
Company	Name	Location	Capacity (MW)	Status	Date
OTP-NWPS-MDU	Big Stone	Big Stone City	437	Existing	1975
OTP	Lake Preston #1	Lake Preston	24	Existing	1978
OTP	Britton	Britton	1.0	Existing	1948
OTP	Lake Preston	Lake Preston	2.0	Existing	1941
MDU	Mobridge	Mobridge	3.4	Existing	1947
BHP&L	Kirk	Lead	33.75	Existing	1961
BHP&L	Ben French #1	Rapid City	25	Existing	1961
BHP&L	Ben Fr Diesel	Rapid City	10	Existing	1965
BHP&L	Ben French Gas Turbine	Rapid City	100	Existing	1979
NSP	Pathfinder	Sioux Falls	75	Existing	1969
NWPS	Huron	Huron	12.5	Existing	1961
NWPS	Yankton-New	Yankton	11.5	Existing	1975
NWPS	Aberdeen	Aberdeen	22.6	Existing	1978
NWPS	Armour	Armour	4.6	Existing	1936
NWPS	Chamberlain	Chamberlain	7.2	Existing	1948
NWPS	Clark	Clark	2.75	Existing	1970
NWPS	Faulkton	Faulkton	2.75	Existing	1969
NWPS	Highmore	Highmore	2.0	Existing	1948
NWPS	Redfield	Redfield	4.1	Existing	1962
NWPS	Webster	Webster	2.8	Existing	1931
NWPS	Yankton-Old	Yankton	7.6	Existing	1980
NWPS	Mobile Unit	N/A	0.5	Existing	1955
Arlington Mun Light & Pwr	Arlington	Arlington	1.0	Existing	1949
Basin Electric Power Cooperative Inc	Spirit Mound	Vermillion	120	Existing	1979
Bryant Light & Pwr Plant	Bryant	Bryant	1.0	Existing	1951
Elk Point Mun Light Plant	Elk Point	Elk Point	4.0	Existing	1946
Estelline Mun Light & Pwr	Estelline	Estelline	4.0	Existing	1950
Faith Wtr Light & Pwr Plt	Faith	Faith	3.0	Existing	1959
Flandreau Mun Light & Power Plant	Flandreau	Flandreau	4.0	Existing	
City of Howard	Howard	Howard	2.0	Existing	1944
City of Madison Electric Processing System	Madison	Madison	7.0	Existing	1947
Onida Mun Light & Pwr Sys	Onida	Onida	0.5	Existing	1949
Parker Mun Light Plant	Parker	Parker	2.0	Existing	1947
Rosebud Elec Coop, Inc	Gregory	Gregory	1.0	Existing	1949
Tyndall Light & Water Plt	Tyndall	Tyndall	3.0	Existing	1949
City of Vermillion	Vermillion	Vermillion	4.0	Existing	1947
Wessington Springs Mun Electric & Light	Wess Springs	Wess Springs	3.0	Existing	1954
Winner Mun Utilities	Winner	Winner	2.0	Existing	1947
Don Jones	White River	White River	2.0	Existing	1924
US Corps of Eng (USCE)	Fort Randall	Pickstown	320	Existing	1956
US Corps of Eng (USCE)	Oahe	Pierre	595	Existing	1962
US Army Eng	Big Bend	Fort Thompson	464	Existing	1966
US Army Eng	Gavins Point	Yankton	100	Existing	1957

LEGAL SECTION

The Fixed Utilities Division is staffed with two Assistant Attorneys General who provide legal advice to the Commission and staff on all fixed utilities matters. Such matters include the areas of electric, natural gas and telephone. These Attorneys are appropriated within the Commission's budget, but in order for them to represent the State of South Dakota in rate cases and other proceedings, they are required by law to be approved by the Attorney General and are designated as Assistant Attorneys General.

The fixed utilities legal staff, made up of these two attorneys and their legal secretary, prepares recommended reports and orders and drafts many of the final orders and decisions. Opinions and memoranda on legal questions before the Commission are prepared by the attorneys. These activities require significant research work. The attorneys also represent the staff and or Commission in the various contested rate case proceedings. The attorneys also work with legal consultants who are sometimes hired for the more complex cases or in the most active rate case time periods.

Commission Orders Issued

	FY83	FY84
Electric	40	22
Natural Gas	13	3
Telephone	42	32
Transmission & Pipeline	0	8
TOTAL	95	65

The legal section of the fixed utilities division also provides the Commission with legal representation in state and federal courts in electric, natural gas, telephone and miscellaneous litigation affecting the Commission.

The following rate case proceedings are decisions of the Commission that have been appealed to the court system, with their determinations referenced:

Fixed Utilities Rate Case Proceedings:

Docketed Case #F-3442, Northwestern Bell Telephone Company Rate Increase:

In the Matter of the Application of
Northwestern Bell Telephone Company
for an Order of the Commission Establishing
Just and Reasonable Rates and Charges, which
will provide it with a Just and Reasonable
Level of Earnings for its Intrastate Telephone
Services Furnished within the State of
South Dakota

Filed on 5/13/83
PUC decision 11/10/83

Appealed to Circuit Court
Circuit Court Findings of Fact and Conclusions of Law 8/8/84
Appealed to Supreme Court
Initial briefs filed with Supreme Court

Application filed by Northwestern Bell for an increase in intrastate telephone rates. Northwestern Bell appealed the Commission decision to the Circuit Court, Sixth Judicial Circuit of South Dakota. Of thirteen issues which were appealed, the Circuit Court reversed the Commission on four issues. The Commission subsequently appealed two of these issues (average cash balance and inflation adjustment) to the South Dakota Supreme Court. At this time briefs have been filed but no decision has been issued.

Fixed Utilities Miscellaneous Proceedings:

Docketed Case #F-3371, MANDAN 500 kv Transmission Line:

In the Matter of the Application of
Nebraska Public Power District for a
Permit to Construct and Operate the
Proposed MANDAN Nominal 500 kv
Transmission Facility

Filed on 1/14/81
Commission Decision issued 1/14/82
Appealed to Circuit Court
Circuit Court decision issued 9/30/82
Appealed to Supreme Court
Supreme Court decision 8/8/84
Circuit Court Order for Remand issued 10/4/84

Application filed by Nebraska Public Power District to construct the MANDAN power line across South Dakota. The Commission denied the permit to allow construction. The decision was appealed to the Circuit Court, Sixth Judicial Circuit. The Circuit Court reversed the Commission decision, but affirmed a number of conditions the Commission would have imposed on the line if the permit had been granted. All parties appealed to the Supreme Court of South Dakota. The Supreme Court, in its August 8, 1984 decision, affirmed that a construction permit should be granted since a statute relied upon by the Commission was unconstitutional. The Court also remanded two other issues (local land use regulation and general variance) back to the Commission for further study.

Docketed Case #F-3436, Electro-Craft Declaratory Ruling:

In the Matter of the Petition for
Declaratory Ruling filed by Electro-
Craft, Inc.

Filed on 3/9/83
PUC decision 12/8/83
Circuit Court decision 5/21/84

Appealed to Supreme Court
Briefing complete
Supreme Court oral argument set for 1/9/85

Electro-Craft sought a declaratory ruling from the Commission as to whether Golden West Telephone Cooperative must apply to the Commission before commencing radio paging services in the Rapid City area, an area which is outside Golden West's service territory. The Commission ruled that it has jurisdiction to regulate telephone cooperatives which attempt to operate radio paging services outisde their assigned territories. Golden West appealed to the Circuit Court, Sixth Judicial Circuit. The Circuit Court reversed the Commission, holding that while the Commission has jurisdiction over radio common carriers, it has no authority over telephone cooperatives providing radio paging services. The Commission appealed to the State Supreme Court. Oral arguments were held January 9, 1985.

Docketed Case #F-3456, Northern States Power Declaratory Ruling:

In the Matter of the Petition for
Declaratory Judgment filed by Northern
States Power Company

Filed 8/15/83
PUC decision issued 10/9/84
Appealed to Circuit Court 11/6/84

NSP sought a declaratory ruling as to whether it could refuse electric service to a wife for past debts incurred while living with her husband. The Commission ruled that NSP could not refuse service. NSP has appealed the ruling to the Circuit Court, Sixth Judicial Circuit.